

RESOLUTION NO. 2020-35-CC

**CITY OF SOUTH GATE
LOS ANGELES COUNTY, CALIFORNIA**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH GATE,
CALIFORNIA, APPROVING THE 2020-2025 CONSOLIDATED PLAN;
THE ANNUAL ACTION PLAN FOR FISCAL YEAR 2020/21; THE 2020 ANALYSIS
OF IMPEDIMENTS TO FAIR HOUSING CHOICE; AND
THE CITIZEN PARTICIPATION PLAN; AND AUTHORIZING THE CITY
MANAGER, OR DESIGNEE, TO SUBMIT TO THE U.S. DEPARTMENT
OF HOUSING AND URBAN DEVELOPMENT**

WHEREAS, the City of South Gate (“City”) participates in the U.S. Department of Housing and Urban Development’s (“HUD”) Consolidated Plan Process and receives both Community Development Block Grant (“CDBG”) and Home Investment Partnership (“HOME”) funds. Agencies that receive funds from HUD are required to prepare and submit a Five-Year Consolidated Plan and an Annual Action Plan;

WHEREAS, the City wishes to receive HUD funds to provide decent housing, a suitable living environment, and economic opportunities to develop a viable urban community for low to moderate income households; and

WHEREAS, the City has developed a Consolidated Plan, including an Annual Action Plan, an Analysis of Impediments to Fair Housing Choice, a Citizens Participation Plan, and has satisfactorily followed HUD requirements for the creation of each.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH GATE DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The City Council does hereby declare that the above recitals are true and correct and are incorporated herein by reference.

SECTION 2. The City Council hereby approves the 2020-2025 Consolidated Plan and Annual Action Plan for Fiscal Year 2020/21 attached hereto as Exhibit “A”; the Analysis of Impediments to Fair Housing Choice attached hereto as Exhibit “B”; and the Citizen Participation Plan attached hereto as Exhibit “C”; and directs any necessary budgetary adjustments be incorporated into the Fiscal Year 2020/21 Operating Budget.

SECTION 3. The adoption of this Resolution will serve as approval of the 2020-2025 Consolidated Plan, Annual Action Plan for Fiscal Year 2020/21, the 2020 Analysis of Impediments to Fair Housing Choice, and the Citizen Participation Plan.

SECTION 4. The City Manager, and/or his designee, is authorized to take reasonable action needed to implement this Resolution, including submittal of the Consolidated Plan and Action Plan to the appropriate HUD office on behalf of the City. The City Manager, or designee, is further authorized to promulgate and implement administrative policies and procedures needed to

effectuate the Consolidated Plan, Annual Action Plan, Analysis of Impediments to Fair Housing Choice, and the Citizen Participation Plan.

SECTION 5. If any part of this Resolution or its application is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Resolution are severable.

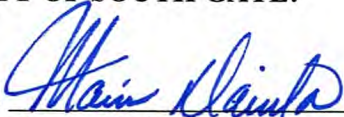
SECTION 6. The City Manager and/or his designee is hereby directed to file a copy of said Consolidated Plan, Annual Action Plan, Analysis of Impediments to Fair Housing Choice, and Citizen's Participation Plan to HUD.

SECTION 7. The City Manager is hereby authorized to enter into agreements with eligible sub-recipients, in a form acceptable to the City Attorney.

SECTION 8. The City Clerk shall certify to the adoption of this Resolution which shall be effective upon its adoption.

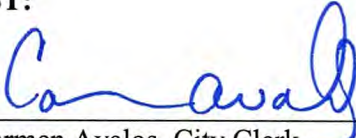
PASSED, APPROVED, and ADOPTED on this **22nd** day of **September 2020**.

CITY OF SOUTH GATE:

By: 


Maria Davila, Mayor

ATTEST:

By: 

Carmen Avalos, City Clerk
(SEAL)

APPROVED AS TO FORM:

By: 

Raul F. Salinas, City Attorney

RESOLUTION CERTIFICATION PAGE

STATE OF CALIFORNIA)

COUNTY OF LOS ANGELES) SS

CITY OF SOUTH GATE)

I, Carmen Avalos, City Clerk of the City of South Gate, California, hereby certify that the whole number of Members of the City Council of said City is five; that Resolution No. 2020-35-CC was adopted by the City Council at their Regular Meeting held on September 22, 2020, by the following vote:

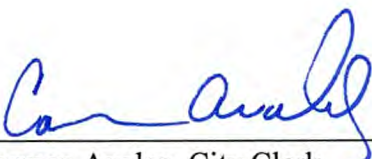
Ayes: Council Members: Davila, Rios, Avalos, Diaz and Hurtado

Noes: Council Members: None

Absent: Council Members: None

Abstain: Council Members: None

Witness my hand and the seal of said City on September 30, 2020.



Carmen Avalos, City Clerk
City of South Gate, California





**Consolidated Plan for Fiscal Years:
2020-2021, 2021-2022, 2022-2023, 2023-2024, 2024-2025
& 2020-2021 Annual Action Plan
Community Development Department**

Approved by City Council on September 22, 2020

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ES-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

The United States Department of Housing and Urban Development (HUD) requires that entitlement jurisdictions submit a Consolidated Plan on the Integrated Disbursement and Information System (IDIS). The IDIS template contains relevant sections and a series of questions to complete the Consolidated Plan. The 2020-2025 Consolidated Plan was developed using the IDIS template and in accordance with statutory requirements and federal regulations.

Prior to receiving funds, the City must submit to HUD a Five-Year Consolidated Plan which outlines a five-year plan for the use of CDBG and HOME funds, an Annual Action Plan, which describes the annual goals and objectives to be met in a program year in relation to the Five-Year Consolidated Plan and a Consolidated Annual Performance Evaluation Report (CAPER), which reports on the goals that were accomplished during the program year within the Consolidated Plan year.

Annually, the City of South Gate receives Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) funds from the U.S. Department of Housing and Urban Development (HUD) based on a HUD formula.

South Gate is one of 1,209 communities in the country that receive CDBG funds.

In 1990, Congress passed the Cranston-Gonzalez National Affordable Housing Act (P.L. 101-625), or NAHA, which stated that the nation's housing policy was not meeting the goal of providing "decent, safe, sanitary, and affordable living environments for all Americans" that was first set out in the Housing Act of 1949. The law revised, amended, or repealed several existing housing programs and authorized some new programs, including the HOME Investment Partnerships Program (often just referred to as HOME).

HOME funds are awarded annually as formula grants to participating jurisdictions (PJs). The program's flexibility allows local governments to use HOME funds for grants, direct loans, loan guarantees or other forms of credit enhancements, or rental assistance or security deposits.

South Gate is one of 587 localities in the country that receive HOME funds.

2. Summary of the objectives and outcomes identified in the Plan Needs Assessment Overview

The CDBG and HOME funds will be used to meet the objectives and goals/outcomes established in the 2020-2025 Consolidated Plan. The goals and objectives have been informed by the needs assessment and developed in consultation with residents, service agencies, other funding partners, and businesses to provide decent housing, a suitable living environment, and economic opportunities for low to moderate income households.

The goals of the 2020-2025 Consolidated Plan include:

- Preservation and rehabilitation of the existing housing stock using CDBG and HOME funds.
- Expand and improve the quality and quantity of public service programs.
- Promote fair housing.
- Provide infrastructure and public facility funding.
- Target code enforcement activities to public health and safety issues.
- Provide financial assistance for the rehabilitation of commercial façade improvements.
- Economic Development activities that provide small business support and retention
- Housing rehabilitation.
- Public Services, including mental health support, domestic violence prevention, and substance abuse services.

3. Evaluation of past performance

The City continually strives to improve the performance of its operations and those of its funded agencies. The City prepares the Consolidated Annual Performance Evaluation and Report (CAPER) annually, which documents progress toward meeting needs and achieving strategies established in the Consolidated Plan and the Annual Action Plans.

Over the past years, the City's CDBG funds were used exclusively for meeting the three goals of providing decent housing; creating a suitable living environment; and expanding economic opportunities to low-and moderate-income persons in South Gate

City Table 1 describes past performance for the first four years of the five-year 2015-2020 Consolidated Plan.

City Table 1
Accomplishments-Consolidates Plan- FY 2015-2016-FY 2018-2019

| Goal | Program Indicator | 5-Year Objectives | 4-Year Accomplishments | Percent Completed |
|------------------------------------|---|----------------------------|------------------------|-------------------|
| Code Enforcement | Housing Code Enforcement and Foreclosed Property Care | 12,500 Housing Units | 11,492 | 91.9% |
| Commercial Rehabilitation | Businesses Assisted | 15 Businesses Assisted | 51 | 340% |
| Fair Housing | Other | 3000 Other | 1,430 | 47.7% |
| Housing | Rental Units Rehabilitated | 2 Rental Housing Units | 0 | 0% |
| Housing | Homeowner Housing Rehabilitated | 25 Homeowner Housing Units | 24 | 96% |
| Infrastructure and Public Facility | Public Facility or Infrastructure Activities other than | 100,000 Persons Assisted | 210,436 | 210.44% |

| | | | | |
|-----------------|--|------------------------|-------|--------|
| | Low/Moderate Income Housing Benefit | | | |
| Public Services | Public Service Activities other than Low/Moderate Income Housing Benefit | 3,000 Persons Assisted | 2,546 | 84.87% |

4. Summary of citizen participation process and consultation process

Community outreach is an important component of developing the Consolidated Plan. Outreach efforts included informing the public that the City was in the process of creating the 2020-2025 Consolidated Plan and encouraging public participation. To ensure that its 2020-2025 Consolidated Plan was based on an accurate needs assessment, the City used the following approaches to involve residents, service providers, and other interested persons and organizations.

South Gate Citizens Advisory Committee (CAC): The CAC is an advisory board created by the City Council to ensure constant dialog exists between City Hall and the community. The role of the CAC is twofold, first to ensure that the City Council is appraised of the needs, desires, and interests of City residents. Second, to review funding applications and to make recommendations to the City Council on funding allocations.

The CAC, which meets six times a year, is comprised of 20 members representing the demographic and social range of residents in the City. The CAC was actively involved in the 2020-2025 Consolidated Plan process. The CAC reviewed the Community Needs Survey and Public Services Application packet. Additionally, the CAC reviewed the 2020-2021 Public Services applications and made selection and funding recommendations to the City Council for inclusion in the 2020/2021 Annual Action Plan. It is anticipated that the CAC will continue to serve in an advisory role to the CDBG process.

2020-2025 Consolidated Plan Survey: To ensure that it correctly analyzed the needs of the community, the City created a Community Needs Survey. The survey was published in English and Spanish and posted on the City's webpage and social media platforms. The survey asked respondents about priority needs, affordable housing, target populations, how to address homeless needs, among other needs and priorities.

The City received a total of 217 responses. Close to 90% of the responses received were from South Gate residents. Other respondents included people who work in South Gate, business owners, rental housing providers, and service providers. The survey responses were reviewed and incorporated into the Consolidated Plan.

Community Meetings: The City held a workshop to encourage residents, service providers, and other interested persons and organizations to voice their perceptions of community needs, to prioritize those needs, and to discuss the best way to distribute limited CDBG funds. The community meetings were held

on June 16, 2020 and June 17, 2020. One community member attended each meeting. A notice of the meeting was mailed to all known service providers operating in the City, published in a local newspaper, and posted on the City's website and social media platforms. A presentation was given during the meetings with an overview and purpose of the Consolidated Plan and CDBG activities.

Stakeholder Interviews: In addition to encouraging participation in the needs survey and workshop, the City consulted directly with a variety of public and private sector agencies that provide services in South Gate to help determine available resources and community needs. Stakeholders that were reached out to and/or responded included:

- Al Rios, Vice Mayor
- Arturo Cervantes, Assistant City Manager/Director of Public Works
- Councilmember Pilar Avalos
- Denise Diaz, Council Member
- Fair Housing Foundation
- Gil Hurtado, Council Member
- Helpline Youth Counseling
- Maria Davila, Mayor
- Salvation Army
- Southern California Rehabilitation Services
- Steve Costley, Interim Director of Parks & Recreation
- Tweedy Mile Association

Stakeholders listed the following most common issues and needs:

- Responding to the COVID-19 pandemic
- Emergency preparedness and response
- Affordable housing. When asked about their housing options, almost 50% of respondents stated they "Cannot afford the rent or mortgage in a preferred neighborhood."
- Rental assistance
- Senior housing
- Improvements and upgrades to parks & recreational facilities and programs
- ADA accessibility improvements to public roads and facilities. 91% of respondents think that "ADA accessibility improvements to public roads/facilities" is either "important" or "extremely important."
- Homeless prevention
- Emergency Shelters
- Safe routes to schools
- Street improvements
- First time buyer programs
- Green building
- Neighborhood crime prevention programs
- Technology upgrades, including broadband and bridging the digital divide
- Economic and workforce development
- Infrastructure maintenance
- Non-profit capacity building and social services

City Council Public Hearing-August 11, 2020- At the Public Hearing, staff provided an overview of the draft Consolidated Plan, Annual Action Plan, and Analysis of Impediments to Fair Housing Choice. Staff went over the proposed CDBG and HOME budgets for Fiscal year 2020-2021.

5. Summary of public comments

Public comments included comments on community needs and suggestions for activities to fund.

Suggested activities included:

- Affordable housing
- Addressing homelessness
- Technology needs (Wi-Fi)
- Creating a more environmental and sustainable City
- Addressing food insecurity
- Mental health services
- Resources for students
- Allocating more funding to public services
- Rent & utility assistance.

6. Summary of comments or views not accepted and the reasons for not accepting them

All comments were accepted.

7. Summary

Based on public comments changes were made to activity allocations to fund activities noted by the public including, mental health, food insecurity, rental and utility assistance, and increased economic development opportunities.

PR-05 Lead & Responsible Agencies 24 CFR 91.200(b)

1. Describe agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

| Agency Role | Name | Department/Agency |
|--------------------|--------------------|--|
| CDBG Administrator | City of South Gate | Community Development Department, Housing Division |
| HOME Administrator | City of South Gate | Community Development Department, Housing Division |

Table 1 – Responsible Agencies

Narrative

The City of South Gate (City) is the Lead Agency for the CDBG and HOME entitlement programs. The City's Community Development Department is responsible for the administration and preparation of the Consolidated Plan, Annual Action Plans and Consolidated Annual Performance Evaluation Reports (CAPER).

Consolidated Plan Public Contact Information

The Community Development Director, Housing Administrator, and Management Analyst are the public contacts for the Consolidated Plan and Annual Action Plans:

Joe Perez
Community Development Director
City of South Gate
8650 California Avenue, South Gate, CA 90280
P: (323) 563-9566
jperez@sogate.org

Vivian Garcia,
Housing Administrator
City of South Gate
8650 California Avenue, South Gate, CA 90280
P: (323) 563-9585
vgarcia@sogate.org

Dianne Guevara
Management Analyst
City of South Gate
8650 California Avenue, South Gate, CA 90280
P: (323) 563-9535
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PR-10 Consultation - 91.100, 91.200(b), 91.215(l)

1. Introduction

The consolidated planning process requires entitlement grantees to reach out to and consult with other public and private agencies during the development of the 5-Year Consolidated Plan (Plan). The City of South Gate consulted with key City departments in the development of the 2020-2025 Consolidated Plan including: Building and Safety, Planning, Code Enforcement, Parks and Recreation, and Public Works.

Information contained in the needs assessment was collected in consultation with the public and public service organizations as described in several narratives of the Consolidated Plan. These agencies represented a wide range of needs including homeless persons, low-income youth, persons with disabilities, elderly persons, and persons with alcohol/substance abuse problems. City staff actively sought to obtain a complete understanding of the problems in South Gate and then suggested solutions from these community partners who work directly with the most vulnerable populations.

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l)).

The City staff consulted with the following agencies/entities in preparing the Consolidated Plan:

- **Affordable Housing:** South Gate Housing staff, South Gate Housing Authority, and local Community Housing Development Organizations (CHDOs) that assist low-income individuals, seniors, and disabled populations.
- **Health Services:** Los Angeles County Public Health Department, (specifically the Childhood Lead-Based Paint Poisoning Prevention Program).
- **Homeless Services:** Los Angeles Homeless Services Authority (LAHSA), The Salvation Army Bell Shelter, People Assisting the Homeless (PATH), and Southeast Churches Service Center, which assists families with obtaining adequate food.
- **Special Needs:** Home Ownership for Personal Empowerment (HOPE) and Southern California Rehabilitation Services.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness

In December of 1993, the Los Angeles County Board of Supervisors and the Los Angeles Mayor and City Council created the Los Angeles Homeless Services Authority (LAHSA) as an independent, joint powers authority. LAHSA is the lead agency in the Los Angeles Continuum of Care, which is the regional planning body that coordinates housing and services for homeless families and individuals in Los Angeles County. LAHSA coordinates and manages over \$300 million annually in federal, state, county, and city funds for programs that provide shelter, housing, and services to people experiencing homelessness.

Coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness included: reviewing data provided by the LAHSA, consultations with the Salvation Army Bell Shelter and PATH.

The *Los Angeles Continuum of Care 2018 Homeless Count* estimates that South Gate has 261 unsheltered homeless persons. Unsheltered data combines homeless persons found outside with the estimate of persons residing in cars, vans, campers/RVs, tents, and other encampments. 4,934 demographic survey interviews were conducted, within the LAHSA service area, with homeless persons from December 2017 to March 2018. The count does not include persons in domestic violence shelters and the CalWORKs Homeless Assistance Program. The data does not include unaccompanied minors, transitional age youth, and young families experiencing unsheltered homelessness.

The City's unsheltered homeless are found in various situations. "Persons in makeshift shelters" (91) and "persons living on the street" (75) together comprise almost two-thirds (64%) of all homeless persons. The other homeless persons are "in tents" (27); "in RVs/campers" (26); "in vans" (24); and "in cars" (18). The data source for the City's homeless count is Los Angeles Continuum of Care, *Greater Los Angeles 2018 Homeless County by City/Community*.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards and evaluate outcomes, and develop funding, policies, and procedures for the administration of HMIS

South Gate does not receive or allocate Emergency Solutions Grand (ESG) funds. The City collaborates with local service providers and will generally fund agencies based in South Gate as well as in the neighboring communities to meet the needs of the homeless and provide regional coverage. The City continues to collaborate with LAHSA and local service providers to assist this segment of the population.

2. Describe Agencies, groups, organizations, and others who participated in the process and describe the jurisdictions consultations with housing, social service agencies and other entities

Table 2 identifies the entities that participated in the process of developing the Consolidated Plan.

Table 3 describes the planning efforts considered during the preparation of the Consolidated Plan.

In addition, the City consulted several reports and studies which identified needs, strategies, and goals such as those listed below:

- County of Los Angeles, Department of Public Health, *Los Angeles Coordinated HIV Needs Assessment (LACHNA)*, 2017 Final Report
- County of Los Angeles, Department of Public Social Services, *Caseload Characteristics Report*, December 2015
- LACountyStrategicPlan.com, *A Consensus Strategic Plan for Economic Development in Los Angeles*

County

- County of Los Angeles, *Los Angeles County Strategic Plan for Economic Development*
- Los Angeles County Workforce Development Board, *2017-2020 Local Area Plan: Business Engagement, Program Alignment & Skills Building, Creating Pathways to the Middle Class*
- Los Angeles County Childhood Lead Poisoning Prevention Program (CLPPP)
- Mount Saint Mary's University, *2016 Report on the Status of Women in Los Angeles County*
- Los Angeles County PSA 19, Area Agency on Aging, 2016-2020 Area Plan, April 13, 2016
- Los Angeles Continuum of Care, 2019 Greater Los Angeles Homeless Count, July 29, 2019
- City of South Gate , 2014-2021 Housing Element
- U.S. Department of Housing and Urban Development, City of Bellflower Comprehensive Housing Affordability Strategy ("CHAS") Data, 2012-2016 American Community Survey
- Gateway Cities Council of Governments, Comprehensive Economic Development Strategy (CEDS) for the Gateway Cities Region, November 17, 2015

Table 2 – Agencies, groups, organizations who participated

| | | |
|---|--|--|
| 1 | Agency/Group/Organization | FAIR HOUSING FOUNDATION |
| | Agency/Group/Organization Type | Service-Fair Housing |
| | What section of the Plan was addressed by Consultation? | Housing Need Assessment |
| | How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination? | Organization was contacted and provided input on housing affordability, fair housing issues, and landlord/tenant complaints. |
| 2 | Agency/Group/Organization | NEWSTART HOUSING CORPORATION, INC. |
| | Agency/Group/Organization Type | Housing |
| | What section of the Plan was addressed by Consultation? | Housing Need Assessment |
| | How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination? | Organization was contacted and provided input on housing. NewStart has developed affordable housing in South Gate. |
| 3 | Agency/Group/Organization | HOME OWNERSHIP FOR PERSONAL EMPOWERMENT (HOPE) |
| | Agency/Group/Organization Type | Housing |
| | What section of the Plan was addressed by Consultation? | Housing Need Assessment Non-Homeless Special Needs |
| | How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination? | Organization was contacted and provided input on housing and supportive services for adults with special needs. HOPE has developed affordable housing in South Gate. |

Identify any Agency Types not consulted and provide rationale for not consulting

All major agencies providing a full range of public services in and around the City of South Gate were contacted to request comments.

Other local/regional/state/federal planning efforts considered when preparing the Plan

| Name of Plan | Lead Organization | How do the goals of your Strategic Plan overlap with the goals of each plan? |
|--|---|---|
| State Plan for Independent Living (SPIL) for 2017-2019 | State Independent Living Council (SILC) | The Strategic Plan has goals in support of the State Plan for Independent Living because many of South Gate’s seniors are frail and disabled. |
| Los Angeles Continuum of Care | Los Angeles Homeless Services Authority (LAHSA) | The Continuum of Care identifies funding and activities assisting LA County’s homeless including one project helping South Gate’s homeless population. The City’s homeless goals and strategy support those of the Continuum of Care. |
| Four-Year Area Plan on Aging July 1, 2016 to June 30, 2020 Area Plan Update July 1, 2017 to June 30, 2018 | Los Angeles Department of Aging | The Strategic Plan supportive housing goals for the elderly and frail elderly support those of the Area Plan on Aging. |
| Los Angeles County Comprehensive HIV Plan (2017-2021) | Los Angeles County Commission on HIV County of Los Angeles Department of Public Health | The Strategic Plan includes goals based on the goals, needs, and strategies identified in the County’s Comprehensive HIV Plan. |
| 2014-2021 Housing Element of the General Plan | City of South Gate | The Strategic Plan goals are based on those included in the 2014-2021 Housing Element. |
| Gateway to the Future: Capital Improvement Program | City of South Gate | Public facility and public improvement needs and goals are based in part on those described in the Capital Improvement Plan. |

Table 3 – Other local / regional / federal planning efforts

Describe cooperation and coordination with other public entities, including the State and any adjacent units of general local government, in the implementation of the Consolidated Plan (91.215(I))

South Gate staff has contacted other local jurisdictions within Los Angeles County to consult on their CDBG projects as well as their planning coordination. Among these cities are Cudahy, Lynwood, and Huntington Park.

Narrative (optional):

PR-15 Citizen Participation

1. Summary of citizen participation process/Efforts made to broaden citizen participation

Summarize citizen participation process and how it impacted goal setting

Citizen Participation Outreach

| Sort Order | Mode of Outreach | Target of Outreach | Summary of response/attendance | Summary of comments received | Summary of comments not accepted and reasons | URL (If applicable) |
|------------|--|--|--|---|--|---------------------|
| 1 | 2020-2025 Consolidated Plan survey March 2, 2020 | Non-target/broad Community All interested persons | 217 persons responded to the survey | Survey responses are presented in the appropriate sections of the Consolidated Plan | All comments accepted | N/A |
| 2 | Community Meeting June 16, 2020 | Non-target/broad Community All interested persons | 1 person representing the City Library | Person was interested in CDBG services | All comments accepted | N/A |
| 3 | Community Meeting June 17, 2020 | Non-target/broad Community All interested persons | 1 City resident | Person was interested in CDBG public service funding | All comments accepted | N/A |
| 4 | Public Review Period August 4 – August 11, 2020 | Non-target/broad Community All interested persons | No comments received | No comments received | No comments received | N/A |
| 5 | Public Hearing August 25, 2020 & September 22, 2020 | Non-target/broad Community All interested persons | 29 comments received | Comments expressed interest on activities that should be funded with CDBG funds. | All comments accepted | N/A |

Table 4 – Citizen Participation Outreach

Needs Assessment

NA-05 Overview

Needs Assessment Overview

The needs assessment includes data on:

- Housing Needs Assessment (NA-10)
- Disproportionately Greater Need: Housing Problems (NA-15)
- Disproportionately Greater Need: Severe Housing Problems (NA-20)
- Disproportionately Greater Need: Housing Cost Burdens (NA-25)
- Public Housing (NA-35)
- Homeless Needs Assessment (NA-40)
- Non-Homeless Special Needs Assessment (NA-45)
- Non-Housing Community Development Needs (NA-50)

Housing needs refer to:

- A housing unit that lacks complete kitchen facilities
- A housing unit that lacks complete plumbing facilities
- Crowding – more than one person per room
- Severe crowding - more than 1.5 persons per room
- Cost burden - more than 30% of gross income spent on housing costs
- Severe cost burden - more than 50% of gross income spent on housing costs

NA-10 Housing Needs Assessment - 24 CFR 91.205 (a,b,c)

Summary of Housing Needs

Table 5 shows that the number of households and population slightly increased between 2009 and 2015, increasing by 1%. The number of households decreased to 23,400 resulting in a decrease of 1%. Table 5 also shows that the median household increased 2% from \$42,556 to \$43,552 between 2009 and 2015.

Table 6 shows the number of households by income group and household type. Seventy-one percent of all households have low/moderate incomes. Low/moderate incomes consists of households with less than 80% of the area median income.

The table shows that the majority (49%) of households in South Gate are comprised of small family households. Small family households consist of two (2) to four (4) persons. Large family households consist of five (5) or more persons. Large family households comprise 29% of the households in the City of South Gate.

Elderly households (those with at least one person 62 years of age or older) comprised 29% of households in South Gate.

As defined by HUD in the Comprehensive Housing Affordability Strategy (CHAS) data, housing problems include:

- Units with physical defects (lacking complete kitchen or bathroom)
- Overcrowded conditions (housing units with more than one person per room)
- Housing cost burden (including utilities) exceeding 30% of gross income
- Severe housing cost burden (including utilities) exceeding 50% of gross income

There is a need for affordable housing in South Gate. Housing problems in the City impact renter households more significantly than owner households. In general, renter-households experience substandard housing, overcrowding and severe cost burdens to a greater extent than owner-households. (Refer to the total renter/owner columns in Table 7 – Housing Problems Table)

To further dissect the housing problems, the following tables provide additional details on housing needs and problems:

- Table 7 presents the number of households with one or more housing problems (inadequate housing, overcrowding, cost burden of 50%, or cost burden of 30%) by income and tenure.
- Table 8 summarizes the number of households with more than one or more severe housing problems by income and tenure. Severe housing problems are inadequate housing, severe overcrowding (1.51 persons or more per room), and housing cost burden of 50%.
- Table 9 isolates those households with housing cost burdens of over 30% (inclusive of those with a cost burden of over 50%) by income and tenure.
- Table 10 further isolates those households with a cost burden of over 50%.
- Table 11 presents overcrowding by household type.
- Table 12 is intended to show overcrowding for households with children. However, the American Community Survey provides no data for the City.

| Demographics | Base Year: 2009 | Most Recent Year: 2015 | % Change |
|---------------|-----------------|------------------------|----------|
| Population | 94,396 | 95,350 | 1% |
| Households | 23,749 | 23,400 | -1% |
| Median Income | \$42,556.00 | \$ 43,552.00 | 2% |

Table 5 - Housing Needs Assessment Demographics

Data Source: 2005-2009 (Base Year), 2011-2015 ACS (Most Recent Year)

Number of Households Table

| | 0-30% HAMFI | >30-50% HAMFI | >50-80% HAMFI | >80-100% HAMFI | >100% HAMFI |
|---|------------------------|-----------------------------|-----------------------------|------------------------------|---------------------------|
| Total Households | 5,535 | 5,290 | 5,740 | 2,680 | 4,150 |
| Small Family Households | 2,400 | 2,770 | 2,885 | 1,310 | 2,190 |
| Large Family Households | 1,120 | 1,535 | 1,680 | 1,035 | 1,320 |
| Household contains at least one person 62-74 years of age | 1,050 | 875 | 1,320 | 620 | 845 |
| Household contains at least one-person age 75 or older | 655 | 445 | 395 | 220 | 275 |
| Households with one or more children 6 years old or younger | 1,630 | 1,830 | 1,525 | 735 | 459 |

Table 6 - Total Households Table

Data 2011-2015 CHAS
Source:

Housing Needs Summary Tables

1. Housing Problems (Households with one of the listed needs)

| | Renter | | | | | Owner | | | | |
|---|-----------|-------------|-------------|--------------|-------|-----------|-------------|-------------|--------------|-------|
| | 0-30% AMI | >30-50% AMI | >50-80% AMI | >80-100% AMI | Total | 0-30% AMI | >30-50% AMI | >50-80% AMI | >80-100% AMI | Total |
| NUMBER OF HOUSEHOLDS | | | | | | | | | | |
| Substandard Housing - Lacking complete plumbing or kitchen facilities | 160 | 45 | 40 | 0 | 245 | 0 | 15 | 25 | 0 | 40 |
| Severely Overcrowded - With >1.51 people per room (and complete kitchen and plumbing) | 665 | 400 | 170 | 80 | 1,315 | 30 | 75 | 165 | 75 | 345 |
| Overcrowded - With 1.01-1.5 people per room (and none of the above problems) | 740 | 825 | 585 | 185 | 2,335 | 65 | 245 | 330 | 305 | 945 |
| Housing cost burden greater than 50% of income (and none of the above problems) | 2,235 | 485 | 60 | 0 | 2,780 | 580 | 730 | 350 | 50 | 1,710 |
| Housing cost burden greater than 30% of income (and none of the above problems) | 340 | 1,550 | 635 | 65 | 2,590 | 125 | 210 | 1,275 | 370 | 1,980 |
| Zero/negative Income (and none of the above problems) | 100 | 0 | 0 | 0 | 100 | 80 | 0 | 0 | 0 | 80 |

Table 7 – Housing Problems Table

Data 2011-2015 CHAS
Source:

2. Housing Problems 2 (Households with one or more Severe Housing Problems: Lacks kitchen or complete plumbing, severe overcrowding, severe cost burden)

| | Renter | | | | | Owner | | | | |
|---|-----------|-------------|-------------|--------------|-------|-----------|-------------|-------------|--------------|-------|
| | 0-30% AMI | >30-50% AMI | >50-80% AMI | >80-100% AMI | Total | 0-30% AMI | >30-50% AMI | >50-80% AMI | >80-100% AMI | Total |
| NUMBER OF HOUSEHOLDS | | | | | | | | | | |
| Having 1 or more of four housing problems | 3,800 | 1,755 | 850 | 260 | 6,665 | 675 | 1,060 | 870 | 430 | 3,035 |
| Having none of four housing problems | 560 | 1,835 | 1,955 | 770 | 5,120 | 325 | 640 | 2,065 | 1,220 | 4,250 |

| | Renter | | | | | Owner | | | | |
|---|-----------|-------------|-------------|--------------|-------|-----------|-------------|-------------|--------------|-------|
| | 0-30% AMI | >30-50% AMI | >50-80% AMI | >80-100% AMI | Total | 0-30% AMI | >30-50% AMI | >50-80% AMI | >80-100% AMI | Total |
| Household has negative income, but none of the other housing problems | 100 | 0 | 0 | 0 | 100 | 80 | 0 | 0 | 0 | 80 |

Table 8 – Housing Problems 2

Data 2011-2015 CHAS
Source:

3. Cost Burden > 30%

| | Renter | | | | Owner | | | |
|-----------------------------|-----------|-------------|-------------|-------|-----------|-------------|-------------|-------|
| | 0-30% AMI | >30-50% AMI | >50-80% AMI | Total | 0-30% AMI | >30-50% AMI | >50-80% AMI | Total |
| NUMBER OF HOUSEHOLDS | | | | | | | | |
| Small Related | 2,000 | 1,725 | 430 | 4,155 | 245 | 610 | 1,090 | 1,945 |
| Large Related | 880 | 785 | 250 | 1,915 | 170 | 380 | 675 | 1,225 |
| Elderly | 665 | 220 | 54 | 939 | 320 | 185 | 159 | 664 |
| Other | 540 | 240 | 115 | 895 | 60 | 54 | 55 | 169 |
| Total need by income | 4,085 | 2,970 | 849 | 7,904 | 795 | 1,229 | 1,979 | 4,003 |

Table 9 – Cost Burden > 30%

Data 2011-2015 CHAS
Source:

4. Cost Burden > 50%

| | Renter | | | | Owner | | | |
|-----------------------------|-----------|-------------|-------------|-------|-----------|-------------|-------------|-------|
| | 0-30% AMI | >30-50% AMI | >50-80% AMI | Total | 0-30% AMI | >30-50% AMI | >50-80% AMI | Total |
| NUMBER OF HOUSEHOLDS | | | | | | | | |
| Small Related | 1,725 | 355 | 35 | 2,115 | 200 | 485 | 185 | 870 |
| Large Related | 775 | 225 | 10 | 1,010 | 160 | 285 | 130 | 575 |
| Elderly | 550 | 30 | 4 | 585 | 240 | 120 | 60 | 420 |
| Other | 460 | 25 | 20 | 505 | 60 | 50 | 20 | 130 |
| Total need by income | 3,510 | 635 | 69 | 4,214 | 660 | 940 | 395 | 1,995 |

Table 10 – Cost Burden > 50%

Data 2011-2015 CHAS
Source:

5. Crowding (More than one person per room)

| | Renter | | | | | Owner | | | | |
|---------------------------------------|-----------|-------------|-------------|--------------|-------|-----------|-------------|-------------|--------------|-------|
| | 0-30% AMI | >30-50% AMI | >50-80% AMI | >80-100% AMI | Total | 0-30% AMI | >30-50% AMI | >50-80% AMI | >80-100% AMI | Total |
| NUMBER OF HOUSEHOLDS | | | | | | | | | | |
| Single family households | 1,240 | 960 | 545 | 165 | 2,910 | 90 | 145 | 260 | 180 | 675 |
| Multiple, unrelated family households | 200 | 275 | 205 | 95 | 775 | 4 | 175 | 230 | 200 | 609 |
| Other, non-family households | 15 | 10 | 4 | 0 | 29 | 0 | 0 | 4 | 0 | 4 |
| Total need by income | 1,455 | 1,245 | 754 | 260 | 3,714 | 94 | 320 | 494 | 380 | 1,288 |

Table 11 – Crowding Information – 1/2

Data 2011-2015 CHAS
Source:

| | Renter | | | | Owner | | | |
|----------------------------------|-----------|-------------|-------------|-------|-----------|-------------|-------------|-------|
| | 0-30% AMI | >30-50% AMI | >50-80% AMI | Total | 0-30% AMI | >30-50% AMI | >50-80% AMI | Total |
| Households with Children Present | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Table 12 – Crowding Information – 2/2

Describe the number and type of single person households in need of housing assistance.

According to the 2017 American Community Survey (ACS), approximately 12.5% (N =2,991) of the City's households are single person households. The tenure breakdown of single person households was: 38% were homeowners while 62% were renters. Furthermore, almost 1,400 of the 1-person households have one or more persons 65 years of age or older.

An indicator of the households in need of housing assistance is poverty. The 2017 ACS reports that almost 1,000 householders living alone had incomes below the poverty level. This number represents approximately one-third of all one-person households.

Estimate the number and type of families in need of housing assistance who are disabled or victims of domestic violence, dating violence, sexual assault, and stalking.

Persons with Disabilities: The 2017 ACS estimates that there are 8,832 disabled persons living in South Gate: 4,315 persons have one disability and 4,517 have 2 or more disabilities. The disabled persons can be either a *member* of a household (say someone less than 18 years of age), or a *disabled householder* who owns or rents the housing, or a disabled person living in a *group home*. The ACS (72) and State Department of Finance (88) report a low number of disabled and non-disabled persons living in group

quarters. Thus, almost all disabled persons live in a household and not group housing or in an assisted living facility or other types of housing designed to meet the needs of people with disabilities.

Approximately 25% (2,162/8,832) of disabled persons had poverty level incomes, according to the 2016 American Community Survey. This percentage is an indicator of the need for housing assistance. Specific data are unavailable on the housing problems (i.e., cost burden) experienced by disabled householders. Since most disabled persons live in households with one or more disabled person, it is reasonable to assume that such households also experience housing problems to the same or greater extent that households with no disabled members do. That is, problems such as cost burden and severe cost burden are also problems confronting households with a disabled member.

Like most individuals, people with disabilities prefer to live independent and productive lives in their own homes. They have a need and desire for safe and decent housing.

During the Area Plan on Aging public hearings, one participant commented that “Assistance is needed for individuals with disabilities and Alzheimer’s disease.”

Another participant said that “Housing issues and being homeless can upend your mental health.”

According to the 2018 Los Angeles County Homeless Count, 26% of the homeless reported a serious mental illness

Victims of Domestic Violence: Data compiled by the Lucile Packard Foundation for Children’s Health indicates that in 2014 there were 275 domestic violence calls for assistance in South Gate. The *2016 Report on the Status of Women in Los Angeles County* explains that in 2014 in Los Angeles County 34% of the calls for assistance involved a weapon; where a weapon was involved, “personal weapons” as in fists, feet, etc. were most commonly used in the assault. The *2018 Greater Los Angeles Homeless Count* found that 3,076 homeless persons were homeless due to fleeing domestic/intimate partner violence, a number that represents 6% of all homeless individuals.

Dating Violence, Sexual Assault and Stalking: According to the California Women’s Health Survey (CWHs), approximately 40% of California women experience physical intimate partner violence in their lifetimes (male lifetime prevalence rates are not available).

Emergency shelter as well as counseling and other services often are needed by the victims of domestic violence, dating violence, sexual assault, and stalking.

What are the most common housing problems?

As mentioned previously, the most common and severe housing problem in South Gate is housing cost burden. In fact, approximately 11,900 low/mod income households are cost burdened (>30%). Units with physical defects, or substandard units, were the least common housing problem for the City.

City Table 2 describes the number of *low- and moderate-income* renter and owner households that experience cost burden and severe cost burden. Among low- and moderate-income *renters*, 73% are cost

burdened and 39% are extremely cost burdened. The data demonstrate that 70% of all low- and moderate-income *owners* are cost burdened and 35% are severely cost burdened.

**City Table 2
City of South Gate
Cost Burden and Severe Cost Burden
by Income and Tenure: 2014**

| Tenure | Total Low/Moderate Income | Number Cost Burdened | Percent Cost Burdened | Number Severely Cost Burdened | Percent Severely Cost Burdened |
|---------|---------------------------|----------------------|-----------------------|-------------------------------|--------------------------------|
| Renters | 10,855 | 7,905 | 73% | 4,215 | 39% |
| Owners | 5,715 | 4,000 | 70% | 1,985 | 35% |

Note: Low/moderate income means less than 80% of the area median income

Cost burden = 30% or more of income spent on housing costs

Severe cost burden = 50% or more spent on housing costs

Source: Comprehensive Housing Affordability Strategy ("CHAS") Data, 2011-2015 American Community Survey

Low- and moderate-income households are especially adversely impacted by severe housing cost burdens. A recent Harvard study remarked on the consequences of high housing costs:

After paying large shares of their incomes for housing, cost burdened households cut back spending on other vital needs. According to the 2014 Consumer Expenditure Survey, severely burdened households in the bottom expenditure quartile (a proxy for low income) had just \$500 left over to cover all other monthly expenses, while otherwise similar households living in affordable housing had more than twice that amount to spend. As a result, severely cost-burdened households spent 41 percent less on food and 74 percent less on healthcare than their counterparts living in housing they could afford. To avoid cost burdens, low-income households often trade off location for affordability. In consequence, low-income households living in housing they can afford spend nearly three times more on transportation than households with severe burdens. Low-income households without cost burdens are also more likely to live in inadequate units.

Are any populations/household types more affected than others by these problems?

Overall, renter-households are more impacted by housing cost burden issues than owner households. In fact, renters constitute 64% of all cost-burdened households. Renters also experience crowding and severe overcrowding to a greater extent than owners. Small related families comprise the largest number of cost burdened householders, exceeding the number of large related and elderly households.

Describe the characteristics and needs of Low-income individuals and families with children (especially extremely low-income) who are currently housed but are at imminent risk of either residing in shelters or becoming unsheltered 91.205(c)/91.305(c)). Also discuss the needs of formerly homeless families and individuals who are receiving rapid re-housing assistance and are nearing the termination of that assistance

The City has 3,300 *extremely low-income* renter households who are extremely cost burdened.

Within the 3,300 total there are 650 extremely low-income renter large related families who are severely cost burdened.

These families face difficulties in meeting their monthly housing obligations and could lose their housing because of the lack of financial resources.

If a jurisdiction provides estimates of the at-risk population(s), it should also include a description of the operational definition of the at-risk group and the methodology used to generate the estimates:

Households at risk of becoming homeless include those extremely low-income households with a severe housing cost burden (spending 50% or more of their income on housing).

Specify particular housing characteristics that have been linked with instability and an increased risk of homelessness

Extremely low-income households with a severe housing cost burden are more likely to lose their housing in the event of loss of employment or other unexpected expenses. Income stagnation combined with rising rents increase the risk of homelessness.

Whereas incomes have not increased over the past few years, rents have continued to rise. The rental housing cost index of the Consumer Price Index increased by 5.4% between November 2018 and November 2019 in the Los Angeles County-Orange County area.

While efforts to produce affordable housing are important to reducing disproportionate housing needs, it also is important to find ways to increase household incomes through jobs having higher wages and other economic development strategies.

Discussion

See discussions above.

NA-15 Disproportionately Greater Need: Housing Problems – 91.205 (b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need.

Introduction

A disproportionately greater need exists when the members of a racial or ethnic group at a given income level experience housing problems at a greater rate (10 percentage points or more) than the income level. For example, assume that 60% of all low-income households within a jurisdiction have a housing problem and 70% of low-income Hispanic households have a housing problem. In this case, low-income Hispanic households have a disproportionately greater need.

This section has four tables that capture the number of housing problems by income, race, and ethnicity. Each table provides data for a different income level (0–30%, 30–50%, 50–80%, and 80–100% AMI). The four housing problems are: 1) lacks complete kitchen facilities; 2) lacks complete plumbing facilities; 3) more than one person per room; and 4) cost burden greater than 30%. The four tables are:

- Table 13 - Disproportionally Greater Need 0-30% AMI
- Table 14 - Disproportionally Greater Need 30 - 50% AMI
- Table 15 - Disproportionally Greater Need 50 - 80% AMI
- Table 16 - Disproportionally Greater Need 80 - 100% AMI

Households having no/negative income (column 4 in the tables) refers to the number of households whose income is zero or negative due to self-employment, dividends, and net rental income. These households are not included in the other two categories. Households with zero or negative income cannot actually have a cost burden, but still require housing assistance and are, therefore, counted separately.

0%-30% of Area Median Income

| Housing Problems | Has one or more of four housing problems | Has none of the four housing problems | Household has no/negative income, but none of the other housing problems |
|--------------------------------|--|---------------------------------------|--|
| Jurisdiction as a whole | 4,940 | 415 | 180 |
| White | 205 | 80 | 0 |
| Black / African American | 70 | 0 | 0 |
| Asian | 20 | 4 | 0 |
| American Indian, Alaska Native | 0 | 0 | 0 |
| Pacific Islander | 0 | 0 | 0 |
| Hispanic | 4,635 | 320 | 180 |

Table 13 - Disproportionally Greater Need 0 - 30% AMI

Data Source: 2011-2015 CHAS

*The four housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4. Cost Burden greater than 30%

30%-50% of Area Median Income

| Housing Problems | Has one or more of four housing problems | Has none of the four housing problems | Household has no/negative income, but none of the other housing problems |
|--------------------------------|--|---------------------------------------|--|
| Jurisdiction as a whole | 4,575 | 715 | 0 |
| White | 130 | 90 | 0 |
| Black / African American | 74 | 0 | 0 |
| Asian | 4 | 4 | 0 |
| American Indian, Alaska Native | 0 | 0 | 0 |
| Pacific Islander | 0 | 0 | 0 |
| Hispanic | 4,365 | 620 | 0 |

Table 14 - Disproportionally Greater Need 30 - 50% AMI

Data 2011-2015 CHAS
Source:

*The four housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4. Cost Burden greater than 30%

50%-80% of Area Median Income

| Housing Problems | Has one or more of four housing problems | Has none of the four housing problems | Household has no/negative income, but none of the other housing problems |
|--------------------------------|--|---------------------------------------|--|
| Jurisdiction as a whole | 3,625 | 2,115 | 0 |
| White | 100 | 275 | 0 |
| Black / African American | 20 | 20 | 0 |
| Asian | 30 | 0 | 0 |
| American Indian, Alaska Native | 0 | 0 | 0 |
| Pacific Islander | 0 | 10 | 0 |
| Hispanic | 3,470 | 1,795 | 0 |

Table 15 - Disproportionally Greater Need 50 - 80% AMI

Data 2011-2015 CHAS
Source:

*The four housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4. Cost Burden greater than 30%

80%-100% of Area Median Income

| Housing Problems | Has one or more of four housing problems | Has none of the four housing problems | Household has no/negative income, but none of the other housing problems |
|--------------------------------|--|---------------------------------------|--|
| Jurisdiction as a whole | 1,130 | 1,555 | 0 |
| White | 35 | 55 | 0 |
| Black / African American | 0 | 4 | 0 |
| Asian | 10 | 20 | 0 |
| American Indian, Alaska Native | 0 | 0 | 0 |
| Pacific Islander | 0 | 0 | 0 |
| Hispanic | 1,090 | 1,460 | 0 |

Table 16 - Disproportionally Greater Need 80 - 100% AMI

Data 2011-2015 CHAS
Source:

*The four housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4. Cost Burden greater than 30%

Discussion

The racial and ethnic groups experiencing disproportionate housing needs include:

- 0%-30 % Area Median Income: Black/African American. 100% of the households have one or more of the four housing problems.
- 30%-50% Area Median Income: Black/African American. 100% of the households have one or more of the four housing problems.
- 50%-80% Area Median Income: Asian. 100% of the households have one or more of the four housing problems.
- 80%-100% Area Median Income: None

NA-20 Disproportionately Greater Need: Severe Housing Problems – 91.205 (b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction

A disproportionately greater need exists when the members of racial or ethnic group at a given income level experience housing problems at a greater rate (10 percentage points or more) than the income level as a whole. The following tables identify the extent of *severe* housing problems by income and race. Severe housing problems include inadequate housing (lacking complete kitchen or plumbing facilities), severe overcrowding (1.51 persons per room), and housing cost burden of 50% or more.

This section has four tables that capture the number of housing problems by income, race, and ethnicity. The four tables are:

- Table 17 – Severe Housing Problems 0-30% AMI
- Table 18 – Severe Housing Problems 30 - 50% AMI
- Table 19 – Severe Housing Problems 50 - 80% AMI
- Table 20 – Severe Housing Problems 80 - 100% AMI

0%-30% of Area Median Income

| Severe Housing Problems* | Has one or more of four housing problems | Has none of the four housing problems | Household has no/negative income, but none of the other housing problems |
|--------------------------------|--|---------------------------------------|--|
| Jurisdiction as a whole | 4,475 | 885 | 180 |
| White | 180 | 100 | 0 |
| Black / African American | 60 | 10 | 0 |
| Asian | 20 | 4 | 0 |
| American Indian, Alaska Native | 0 | 0 | 0 |
| Pacific Islander | 0 | 0 | 0 |
| Hispanic | 4,205 | 750 | 180 |

Table 17 – Severe Housing Problems 0 - 30% AMI

Data 2011-2015 CHAS
Source:

*The four severe housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

30%-50% of Area Median Income

| Severe Housing Problems* | Has one or more of four housing problems | Has none of the four housing problems | Household has no/negative income, but none of the other housing problems |
|--------------------------------|--|---------------------------------------|--|
| Jurisdiction as a whole | 2,815 | 2,475 | 0 |
| White | 50 | 165 | 0 |
| Black / African American | 8 | 65 | 0 |
| Asian | 4 | 4 | 0 |
| American Indian, Alaska Native | 0 | 0 | 0 |
| Pacific Islander | 0 | 0 | 0 |
| Hispanic | 2,745 | 2,240 | 0 |

Table 18 – Severe Housing Problems 30 - 50% AMI

Data 2011-2015 CHAS
Source:

*The four severe housing problems are:

1. Lacks complete kitchen facilities,
2. Lacks complete plumbing facilities,
3. More than 1.5 persons per room,
4. Cost Burden over 50%

50%-80% of Area Median Income

| Severe Housing Problems* | Has one or more of four housing problems | Has none of the four housing problems | Household has no/negative income, but none of the other housing problems |
|--------------------------------|--|---------------------------------------|--|
| Jurisdiction as a whole | 1,720 | 4,020 | 0 |
| White | 45 | 330 | 0 |
| Black / African American | 4 | 35 | 0 |
| Asian | 15 | 14 | 0 |
| American Indian, Alaska Native | 0 | 0 | 0 |
| Pacific Islander | 0 | 10 | 0 |
| Hispanic | 1,660 | 3,605 | 0 |

Table 19 – Severe Housing Problems 50 - 80% AMI

Data 2011-2015 CHAS
Source:

*The four severe housing problems are:

1. Lacks complete kitchen facilities,
2. Lacks complete plumbing facilities,
3. More than 1.5 persons per room,
4. Cost Burden over 50%

80%-100% of Area Median Income

| Severe Housing Problems* | Has one or more of four housing problems | Has none of the four housing problems | Household has no/negative income, but none of the other housing problems |
|--------------------------------|--|---------------------------------------|--|
| Jurisdiction as a whole | 690 | 1,990 | 0 |
| White | 10 | 80 | 0 |
| Black / African American | 0 | 4 | 0 |
| Asian | 0 | 30 | 0 |
| American Indian, Alaska Native | 0 | 0 | 0 |
| Pacific Islander | 0 | 0 | 0 |
| Hispanic | 685 | 1,860 | 0 |

Table 20 – Severe Housing Problems 80 - 100% AMI

Data 2011-2015 CHAS
Source:

*The four severe housing problems are:

1. Lacks complete kitchen facilities,
2. Lacks complete plumbing facilities,
3. More than 1.5 persons per room,
4. Cost Burden over 50%

Discussion

None of the racial and ethnic groups are experiencing disproportionate *severe* housing needs.

The primary reason for this outcome is that Hispanic householders comprise the overwhelming majority of all householders and, therefore, contribute to the “jurisdiction as a whole” percentages. Thus, Hispanics and “jurisdiction as a whole” percentages are almost identical, On the other hand, White householders have incomes generally higher than the other population groups and, consequently, would not experience disproportionate housing needs. The two groups that have disproportionate housing needs are Black/African American and Asian householders.

NA-25 Disproportionately Greater Need: Housing Cost Burdens – 91.205 (b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction:

A disproportionate greater need exists when the members of a racial or ethnic group at a given income level experience housing problems at a greater rate (10 percentage points or more) than the income level as a whole.

Housing Cost Burden

| Housing Cost Burden | <=30% | 30-50% | >50% | No / negative income (not computed) |
|--------------------------------|--------|--------|-------|-------------------------------------|
| Jurisdiction as a whole | 10,290 | 6,620 | 6,270 | 225 |
| White | 785 | 190 | 255 | 0 |
| Black / African American | 100 | 120 | 69 | 0 |
| Asian | 130 | 35 | 30 | 0 |
| American Indian, Alaska Native | 0 | 0 | 0 | 0 |
| Pacific Islander | 20 | 0 | 0 | 0 |
| Hispanic | 9,210 | 6,255 | 5,905 | 225 |

Table 21 – Greater Need: Housing Cost Burdens AMI

Data Source: 2011-2015 CHAS

Discussion:

The racial and ethnic groups experiencing disproportionate housing needs include:

Almost 56% of all householders spend 30% or more of their income on housing costs, including utilities. The percentages of households by race and ethnicity that are cost burdened are listed below:

- White: 36.2%
- Black/African American: 65.4%
- Asian: 33.3%
- American Indian/Alaska Native: 0%
- Pacific Islander: 0%
- Hispanic: 56.9%

Black/African American greater needs in terms of housing cost burdens.

NA-30 Disproportionately Greater Need: Discussion – 91.205(b)(2)

Are there any Income categories in which a racial or ethnic group has disproportionately greater need than the needs of that income category as a whole?

Please refer to the discussions provided under specific needs by income group presented earlier.

If they have needs not identified above, what are those needs?

Housing needs of low- and moderate-income minority households have been previously identified.

Are any of those racial or ethnic groups located in specific areas or neighborhoods in your community?

South Gate does not have a “racially or ethnically concentrated area of poverty” meaning “a geographic area with significant concentrations of poverty and minority concentrations.” The term “racially or ethnically concentrated areas of poverty” refers to a census tract that –

- Has a minority population of 50% or more
- Has 40% or more individuals living at or below the poverty line

None of South Gate’s census tracts meet these two thresholds.

NA-35 Public Housing – 91.205(b)

Introduction

The South Gate Housing Authority (SGHA) provides management and oversight of all units and vouchers in the City.

The SGHA administers the Section 8 Housing Voucher program for the South Gate area. A Section 8 voucher assists eligible families pay the rent for apartments owned by private landlords. Participating families are responsible for finding an apartment and landlord that will accept the voucher. Families must meet income guidelines to qualify for the Section 8 program. Both parties will enter into a lease agreement, with the tenant paying the security deposit. The SGHA inspects Section 8 properties prior to move-in and on a yearly basis to ensure that apartments comply with HUD standards for safety, size, and accessibility. The Housing Authority also offers several affordable senior housing developments, some with units accessible for persons with disabilities.

The City of South Gate does not administer Public Housing units.

The following tables contain additional information:

- Table 22 Vouchers in use
- Table 23 Income and other characteristics of tenants
- Table 24 Race of residents
- Table 25 Ethnicity of residents

Totals in Use

| | Program Type | | | | | | | | |
|----------------------------|--------------|-----------|----------------|----------|---------------|--------------|-------------------------------------|----------------------------|------------|
| | Certificate | Mod-Rehab | Public Housing | Vouchers | | | | | |
| | | | | Total | Project-based | Tenant-based | Special Purpose Voucher | | |
| | | | | | | | Veterans Affairs Supportive Housing | Family Unification Program | Disabled * |
| # of units vouchers in use | 0 | 0 | 0 | 500 | 0 | 499 | 1 | 0 | 0 |

Table 22 - Public Housing by Program Type

*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition

Data Source: PIC (PIH Information Center)

Characteristics of Residents

| | Program Type | | | | | | | |
|---|--------------|-----------|----------------|----------|-----------------|----------------|-------------------------------------|----------------------------|
| | Certificate | Mod-Rehab | Public Housing | Vouchers | | | | |
| | | | | Total | Project - based | Tenant - based | Special Purpose Voucher | |
| | | | | | | | Veterans Affairs Supportive Housing | Family Unification Program |
| Average Annual Income | 0 | 0 | 0 | 14,204 | 0 | 14,211 | 10,669 | 0 |
| Average length of stay | 0 | 0 | 0 | 9 | 0 | 9 | 1 | 0 |
| Average Household size | 0 | 0 | 0 | 2 | 0 | 2 | 2 | 0 |
| # Homeless at admission | 0 | 0 | 0 | 1 | 0 | 1 | 0 | 0 |
| # of Elderly Program Participants (>62) | 0 | 0 | 0 | 239 | 0 | 239 | 0 | 0 |
| # of Disabled Families | 0 | 0 | 0 | 68 | 0 | 68 | 0 | 0 |
| # of Families requesting accessibility features | 0 | 0 | 0 | 500 | 0 | 499 | 1 | 0 |
| # of HIV/AIDS program participants | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| # of DV victims | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Table 23 – Characteristics of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Race of Residents

| Race | Program Type | | | | | | | | |
|-------------------------------|--------------|-----------|----------------|----------|-----------------|----------------|-------------------------------------|----------------------------|------------|
| | Certificate | Mod-Rehab | Public Housing | Vouchers | | | | | |
| | | | | Total | Project - based | Tenant - based | Special Purpose Voucher | | |
| | | | | | | | Veterans Affairs Supportive Housing | Family Unification Program | Disabled * |
| White | 0 | 0 | 0 | 469 | 0 | 468 | 1 | 0 | 0 |
| Black/African American | 0 | 0 | 0 | 30 | 0 | 30 | 0 | 0 | 0 |
| Asian | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| American Indian/Alaska Native | 0 | 0 | 0 | 1 | 0 | 1 | 0 | 0 | 0 |
| Pacific Islander | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition

Table 24 – Race of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Ethnicity of Residents

| Ethnicity | Program Type | | | | | | | | |
|--------------|--------------|-----------|----------------|----------|-----------------|----------------|-------------------------------------|----------------------------|------------|
| | Certificate | Mod-Rehab | Public Housing | Vouchers | | | | | |
| | | | | Total | Project - based | Tenant - based | Special Purpose Voucher | | |
| | | | | | | | Veterans Affairs Supportive Housing | Family Unification Program | Disabled * |
| Hispanic | 0 | 0 | 0 | 450 | 0 | 449 | 1 | 0 | 0 |
| Not Hispanic | 0 | 0 | 0 | 50 | 0 | 50 | 0 | 0 | 0 |

*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition

Table 25 – Ethnicity of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Section 504 Needs Assessment: Describe the needs of public housing tenants and applicants on the waiting list for accessible units:

South Gate does not administer Public Housing and does not currently maintain a Section 8 Housing Choice Voucher list.

Most immediate needs of residents of Public Housing and Housing Choice voucher holders

N/A

How do these needs compare to the housing needs of the population at large?

N/A

Discussion

N/A

NA-40 Homeless Needs Assessment – 91.205(c)

Introduction:

According to the 2019 PIT Homeless Count, 53% of people experiencing first-time homelessness cited “economic hardship” as a leading factor causing their homelessness. Approximately one fourth of unsheltered adults lost their housing in 2018 and is experiencing homelessness for the first time. Among other factors cited in the 2019 PIT Homeless Count are wages not keeping pace with rental costs and the lack of affordable housing production.

The *Los Angeles Continuum of Care 2020* PIY homeless count has been completed, however the data at the City/Community geographic area has not yet been released. The *Los Angeles Continuum of Care 2019 Homeless Count* estimates that South Gate has 357 unsheltered homeless persons. Unsheltered data combines homeless persons found living in the following arrangements:

- In makeshift shelters 129
- On the street 81
- In vans 44
- In tents 41
- In cars 36
- In RVs/campers 26

The count does not include persons in domestic violence shelters, unaccompanied minors, transitional age youth, and persons receiving motel vouchers.

South Gate is located within Service Planning Area 7. The 2019 homeless count estimates that there are 563 homeless youth within Service Planning Area 7.

If data is not available for the categories "number of persons becoming and exiting homelessness each year," and "number of days that persons experience homelessness," describe these categories for each homeless population type (including chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth):

The Greater Los Angeles 2019 Homeless Count does not provide estimates on the above characteristics of the homeless population at the city/community geographic level. Therefore, this information is unavailable for South Gate’s homeless population. The 2019 Homeless Count did find that 8,950 adults experienced homelessness for the first time within the last year

Nature and Extent of Homelessness: (Optional)

| | | |
|-------------------|-------------------|-------------------------------|
| Race: | Sheltered: | Unsheltered (optional) |
| Ethnicity: | Sheltered: | Unsheltered (optional) |

Estimate the number and type of families in need of housing assistance for families with children and the families of veterans.

Among the 357 unsheltered homeless it is unknown how many are individuals, families, families with children, or veterans. The *Greater Los Angeles 2019 Homeless County by City/Community* does not provide estimates of these characteristics at the city level. It is assumed that most, if not all, homeless people need housing assistance because they have zero or negative incomes. However, 53% of people experiencing homelessness for the first time cited “economic hardship” as a leading factor causing their homelessness. Additionally, LAHSA has described the lack of affordable housing production as driving the regional increase in homelessness.

Describe the Nature and Extent of Homelessness by Racial and Ethnic Group.

The Greater Los Angeles 2019 Homeless Count by City/Community does not provide estimates of the race or ethnicity of the City’s 357 unsheltered homeless persons. Both the 2019 and 2020 homeless counts provide data on the race and ethnicity of the homeless population counted for the entire Los Angeles Continuum of Care. The 2020 homeless counts show the following:

- Hispanic or Latino: 36%
- Black/African American: 34%
- White: 25%
- American Indian/Alaska Native: 1%
- Multi-Racial/Other: 2%
- Asian: 1%
- Native Hawaiian/Other Pacific Islander: . - %

Data on homeless subpopulations are unavailable from the 2019 and 2020 counts for the City of South Gate. However, the 2020 subpopulation data for the entire geographic area encompasses within the Los Angeles Continuum of Care are noted below:

| | | |
|--------------------------|--------|---------------------------------|
| Chronically homeless | 24,484 | 38% of total homeless count |
| Substance abuse disorder | 15,203 | 27% of 18+ years homeless count |
| Serious mental illness | 14,125 | 25% of 18+ years homeless count |
| Physically disabled | 10,833 | 19% of 18+ years homeless count |
| Developmentally disabled | 5,292 | 9% of 18+ years homeless count |
| Domestic Violence | 3,884 | 7% of 18+ years homeless count |
| Veterans | 3,681 | 6% of total homeless count |
| HIV/AIDs | 1,165 | 2% of 18+ years homeless count |
| Unaccompanied youth | 69 | --- |

Describe the Nature and Extent of Unsheltered and Sheltered Homelessness.

South Gate has an estimated 357 *unsheltered* homeless persons. *Sheltered* homeless persons include individuals, families, and unaccompanied minors sleeping in emergency shelters, transitional housing, or

safe havens that are located within the boundaries of the community on the night of the Homeless Count. However, there are no shelter accommodations located within South Gate.

Discussion:

Despite all the best efforts to end homelessness, individuals and families experience temporary homelessness due to a lack of sufficient and stable income, chronic or sudden health problems, domestic violence, untreated mental illness, chronic substance abuse, and youth who lack parental, foster or institutional care among other causes.

NA-45 Non-Homeless Special Needs Assessment - 91.205 (b,d)

Introduction:

Certain households, because of their age, frailties, disabilities, or substance abuse have unique or special housing needs which differ from those of the general population. Some may require special accommodations while others may have difficulty finding housing due to their special needs. Special needs groups include the elderly, frail elderly, persons with disabilities, persons with alcohol or drug addiction, and victims of domestic violence.

Describe the characteristics of special needs populations in your community:

Elderly: According to the 2018 American Community Survey (ACS) South Gate's elderly population (62+) is comprised of 10,981 persons, which represents 11.6% of the total population (N = 94,439). The City's elderly population is comprised of 5,486 women and 5,495 men. The ratio of females to males is about 1.0.

In 2018, according to the ACS, the City had 4,131 elderly householders (65+), a number that represents about 17% of all households in the City.

Frail Elderly: The American Community Survey provides two indicators to approximate the size of the frail elderly population:

Self-care difficulty refers to survey respondents who said they had "difficulty dressing or bathing." Difficulty with these activities are two of six specific Activities of Daily Living (ADLs) often used by health care providers to assess patients' self-care needs.

Independent living difficulty refers to survey respondents who stated that due to a physical, mental, or emotional condition; they had difficulty "doing errands alone such as visiting a doctor's office or shopping." Difficulty with this activity is one of several Instrumental Activities of Daily Living (IADL) used by health care providers in making care decisions.

South Gate's frail elderly population could be as large as approximately 3,380 persons. This number represents seniors 65 years of age or older with a self-care difficulty (N= 1,326) or an independent living difficulty (N=2,054). It is possible that some elderly have both difficulties.

Many of the frail elderly also live on fixed incomes. And many also need home modifications to help prevent falls.

Persons with Mental, Physical, and/or Developmental Disabilities: As aptly described in the 2014-2021 Housing Element:

Disabled individuals have unique housing needs because they may be limited in mobility or in their ability to care for themselves. In addition, the earning power of disabled persons may be limited. Their housing need is also often compounded by design and location requirements, which can drive up housing costs. For example, wheelchair-bound or semi-ambulatory individuals may require ramps, holding bars, special bathroom designs, wider doorways, lower cabinets, and other interior and exterior design features.

Mentally Disabled Population: In addition to collecting data on persons with self-care and independent living difficulties, the ACS gathers information pertaining to persons with a cognitive difficulty, which is an indicator of mental disabilities. According to the ACS *cognitive difficulty* refers to persons who have serious difficulty concentrating, remembering, or making decisions.

Medically speaking, cognitive disorders (CDs), also known as neurocognitive disorders (NCDs), are a category of mental health disorders that primarily affect cognitive abilities including learning, memory, perception, and problem solving. Neurocognitive disorders include delirium and mild and major neurocognitive disorder (previously known as dementia). They are defined by deficits in cognitive ability that are acquired (as opposed to developmental), typically represent decline, and may have underlying brain pathology.

According to MentalHealth.net:

Cognitive disorders can be caused by all sorts of brain problems, including tumors, strokes, closed-head injuries, infections, exposure to neurotoxins (i.e., substances that are toxic to the brain), genetic factors, and disease. The specific type of cognitive disorder someone develops depends on the part of the brain that is affected. For instance, a tumor that grows in the brain's speech centers will result in problems with communication. Similarly, an infection in the brain's motor centers will cause problems with movement.

Approximately 2,640 of South Gate's residents indicated they had a cognitive difficulty, a number that represents 3% of the City's population.

Physically Disabled Population: The ACS also gathers data on persons with hearing, vision, and ambulatory difficulties. The ACS estimates that 6,973 residents have one or more of these three disabling difficulties. Sixty-two percent of the 6,973 residents experience an ambulatory difficulty. The ACS defines these disabling conditions as follows:

Hearing difficulty refers to respondents who stated that they were "deaf or ... [had] serious difficulty hearing."

Vision difficulty includes respondents who stated that they were "blind or ... [had] serious difficulty seeing even when wearing glasses."

Ambulatory difficulty refers to respondents who stated that they had "serious difficulty walking or climbing stairs."

Developmentally Disabled Population: As defined in Section 4512 of the Welfare and Institutions Code, developmental disability means “a disability that originates before an individual attains age 18 years, continues, or can be expected to continue, indefinitely, and constitutes a substantial disability for that individual. As defined by the Director of Developmental Services, in consultation with the Superintendent of Public Instruction, this term shall include mental retardation, cerebral palsy, epilepsy, and autism. This term shall also include disabling conditions found to be closely related to mental retardation or to require treatment similar to that required for individuals with mental retardation but shall not include other handicapping conditions that are solely physical in nature.”

The City’s 2014-2021 *Housing Element* provides an estimate of the developmentally disabled population. As noted in the *Housing Element*, neither the U.S. Census nor American Community Survey asks a specific question on whether the respondent is developmentally disabled. However, according to the U.S. Administration on Developmental Disabilities, an accepted estimate of the percentage of the population that can be defined as developmentally disabled is 1.5%. This means that an estimated 1,416 South Gate residents have a developmental disability, based on the 2018 ACS population estimate (.015 X 94,374).

According to the State’s Department of Developmental Services, as of November 2012, approximately 664 South Gate residents with developmental disabilities were being assisted at the South Central Los Angeles Regional Center. Most of these individuals were residing in a private home with their parent or guardian and 350 of these persons with developmental disabilities were under the age of 18.

Many developmentally disabled persons can live and work independently within a conventional housing environment. More severely disabled individuals require a group living environment where supervision is provided. The most severely affected individuals may require an institutional environment where medical attention and physical therapy are provided. Because developmental disabilities exist before adulthood, the first issue in supportive housing for the developmentally disabled is the transition from the person’s living situation as a child to an appropriate level of independence as an adult.

Persons with Alcohol or Other Drug Addiction: The U.S. Department of Health and Human Services conducts annual National Surveys on Drug Use and Health (NSDUH). Estimates are based on annual averages of data collected in 2016. The Survey found that 6% of the population aged 12 or older were heavy alcohol users. According to American Community Survey, in 2018, approximately 74,127 persons residing in the City were over the age of 12. Therefore, an estimated 4,448 persons over the age of 12 may be considered as having an alcohol addiction.

Estimates of “illicit drug use” reported from NSDUH reflect the data from these 10 drug categories: marijuana, cocaine (including crack), heroin, hallucinogens, inhalants, and methamphetamine, as well as the misuse of prescription pain relievers, tranquilizers, stimulants, and sedatives. In 2016, the Survey found that 1 in 10 Americans aged 12 or older were current (past month) illicit drug users, meaning that they had used an illicit drug during the month prior to the survey interview. The 1 in 10 number translates to 7,934 persons in the City.

Victims of Domestic Violence: The National Domestic Violence Hotline defines domestic violence “as a pattern of behavior in any relationship that is used to gain or maintain power and control over an intimate partner.”

Domestic violence is defined by the California penal code as abuse against an adult by a present or former spouse, a present or former cohabitant, someone with whom the victim has had a child, or by someone

in a current or former dating relationship. This term is often used interchangeably with Intimate Partner Violence (IPV).

According to the County of Los Angeles Public Health Department:

Domestic violence (DV) exacts a tremendous toll on Los Angeles County [and South Gate] residents. However, the precise magnitude of the problem is difficult to measure due to the inability to collect consistent data on the occurrence and circumstances of individual DV events and the need to rely on multiple dissimilar data sources. In general, DV statistics come from three main sources: the law enforcement and criminal justice systems, the healthcare and public health systems, and self-reported surveys. Any of these data sources can be reported at the national, state or local level, but each source provides only limited information conforming to specific agency missions or survey focus, and none of the sources are linked to each other in a manner that would present a more complete view of the cycle of DV.

Source: County of Los Angeles Department of Public Health, Los Angeles County Domestic Violence Data Sources, April 2010, page 1

The *2016 Report on the Status of Women in Los Angeles County* states that women are disproportionately affected by domestic violence or IPV. The 2016 Report also states that, according to the 2011 National Intimate Partner and Sexual Violence Survey, 85% of domestic violence victims across the country are women. More than one in four women (22%) across the United States have been the victim of severe physical violence by an intimate partner, compared with just one in 10 men (14%).

Domestic violence victims may need to leave their homes several times and, therefore, experience multiple periods of homelessness. Emergency shelter resources are needed to accommodate these victims of domestic violence. Women survivors of domestic violence also face numerous barriers to securing safe housing such as limited incomes, lack of a credit history, and landlord discrimination. The Federal Fair Housing act bans landlords and housing providers from discriminating against domestic violence survivors by either denying an applicant or evicting a survivor.

Data compiled by the Lucile Packard Foundation for Children's Health indicates that in 2014 there were 275 domestic violence calls for assistance in South Gate. The *2016 Report on the Status of Women in Los Angeles County* explains that in 2014 in Los Angeles County 34% of the calls for assistance involved a weapon; where a weapon was involved, "personal weapons" as in fists, feet, etc. were most commonly used in the assault. The *2018 Greater Los Angeles Homeless Count* found that 3,076 homeless persons were homeless due to fleeing domestic/intimate partner violence, a number that represents 6% of all homeless individuals.

What are the housing and supportive service needs of these populations and how are these needs determined?

Elderly: Among the top elderly needs, as reported in the *FY 2016-2020 Area Plan on Aging*, were: transportation and housing. Participants at the Area Plan Update public hearings expressed many affordable housing and transportation related questions, concerns, and issues. Three examples are provided below:

- “The importance of advocating for affordable housing for older adults.”
- “The scoring/criteria for affordable housing are skewed against older adults.”
- “Better compensation for In-Home Supportive Service workers.”

The major needs were identified by respondents to a Needs Assessment Questionnaire.

The top five “areas of concern” discussed during focus groups were:

- Safety
- Income
- Elder abuse
- Accessing services
- Homelessness

Among the goals adopted as part of the *Area Plan* were the following:

- Goal # 2 Goal: *Promote accessible and affordable transportation options for older adults and individuals with disabilities.*

Rationale: Good transportation options, including a reliable and affordable public transportation system working in conjunction with both private transportation services and non-profit community-based transportation alternatives, is essential to ensuring that many older adults maintain their independence and an adequate quality of life.

- Goal # 3 Goal: *Addressing the issue of homelessness and promote affordable housing.*

Rationale: With an estimated shortage of 500,000 housing units, the City of Los Angeles has one of the most unaffordable housing markets in the nation. The Mayor and City Council are addressing this issue by promoting the creation of new housing units and developing a comprehensive plan to address the increasing homeless population.

Frail Elderly: By definition, the frail elderly need assistance to perform daily living activities. The frail elderly may have trouble eating, bathing, toileting, etc. by oneself and/or difficulty using the telephone, getting outside, shopping, and doing light housework, etc. by oneself. The frail elderly may be assisted by in-home care, or by residing in supportive housing arrangements.

Seniors participating in the *Area Plan on Aging* public hearings frequently stated there is a need “for affordable housing for older adults.” Displacement from their existing housing also was a concern of the public hearing participants. One participant stated, “Some landlords are trying to make older adults leave their rent-controlled apartments.”

Persons with Mental, Physical, and/or Developmental Disabilities: In general, the special housing needs of the disabled populations include independent living units with affordable housing costs; supportive housing with affordable housing costs; and housing with design features that facilitate mobility and independence. The shortage of available, accessible, and/or affordable housing is an acute problem for most people with disabilities (PWD). Like most individuals, people with disabilities prefer to live independent and productive lives in their own homes. They have a need and desire for safe and decent housing.

During the *Area Plan on Aging* public hearings, one participant commented that “Assistance is needed for individuals with disabilities and Alzheimer’s disease.”

Another participant said that “Housing issues and being homeless can upend your mental health.”

The City provides CDBG funds to a number of programs and supportive services for persons with disabilities, such as the Meals on Wheels Program for frail and home-bound seniors and Southern California Rehabilitation Services (which provides home improvements that can range from installing grab bars, constructing wheel chair ramps, and widening doorways to persons with disabilities). The Housing Choice Vouchers Program also provides rental assistance to lower income households, including households with disabled persons.

The City recently completed two HOPE projects, consisting of four units each for a total of eight units, for extremely low-income, developmentally disabled individuals.

Residents in need of transportation can also utilize South Gate Phone-A-Ride (P.A.R.), which provides low cost transportation services to local destinations within the City limits as well as medical appointments at 16 approved destinations outside of the City.

Persons with Alcohol or Other Drug Addiction: In general, the residents of South Gate are more likely to abuse pharmaceuticals than illicit drugs. Health professionals have identified the following needs: raise awareness about prescription drug abuse; make mandatory the usage of Controlled Substance Utilization and Evaluation System/Prescription Drug Monitoring Program (CURES/PDMP), which can be used to identify clinicians with patterns of inappropriately prescribing and dispensing controlled substances; and assistance with the safe disposal.

Some of the key needs of this special needs population include obtaining stable housing and employment; improving their mental health and coping skills, getting needed medical treatment, and maintaining good health.

Victims of Domestic Violence: Women who are victims of domestic violence experience unique housing issues. Women and their children are often forced to move out of their homes away from their abuser to seek other housing where they are safe. Emergency housing is needed to fill a short-term need. Barriers are confronted when seeking permanent housing because of a limited income, lack of credit, and housing discrimination. Transitional housing and transitional housing with supportive services is needed.

Discuss the size and characteristics of the population with HIV/AIDS and their families within the Eligible Metropolitan Statistical Area:

As of December 31, 2016, there were 50,289 persons living with diagnosed HIV infection (PLWH) in Los Angeles County (LAC), corresponding to a prevalence of 492 PLWH per 100,000 population. From 2006 through 2016, the number of PLWH in LAC steadily increased overall. The slight decrease observed in number of PLWH from 2015 to 2016 may be attributed to the implementation of enhanced electronic lab reporting (ELR) in November 2015. As a result, the availability and reporting of updated residential information has allowed for better documentation of migration in and out of LAC and a more accurate representation of PLWH currently living in LAC.

Los Angeles County's HIV epidemic is predominantly cismale (87.5% of all PLWH and 87.6% of recently diagnosed PLWH). This is dramatically higher than the proportion of cismales in the general population (49.3%). (Cisgender, often abbreviated to simply *cis*, is a term for people whose gender identity matches the sex that they were assigned at birth.)

The majority of PLWH are from communities of color, especially Latino/Hispanic (41.8% all PLWH and 46.2% of recently diagnosed) and Blacks/African Americans (20.2% all PLWH and 22.8% of recently diagnosed). Latinos/Hispanics comprise 48.2% and Blacks/African Americans 8.6% of the general county population in 2014. In terms of age, PLWH are older with the largest proportion between 40 and 59 years old (60.1%). Recently diagnosed PLWH are younger, with the majority (61.3%) between 20 and 39 years old. Nearly one third (32.6%) of all recently diagnosed persons are young adults 20-29 years old.

South Gate is located within health Service Planning Area 7 which also includes communities such as Bellflower, East Los Angeles, and Whittier. According to the *2016 Annual HIV Surveillance Report*, the PLWH rate is 261 per 100,000 people. This equates to approximately 249 persons living with aids who are residents of South Gate.

The *Los Angeles County HIV/AIDS Strategy for 2020 and Beyond* establishes the following three goals:

Goal I: Reduce annual HIV infections to 500 by 2022

Goal II: Increase the proportion of persons living with HIV who are diagnosed to at least 90% by 2022

Goal III: Increase the proportion of diagnosed PLWH who are virally suppressed to 90% by 2022

According to HUD, the lack of affordable and medically appropriate housing for persons living with HIV/AIDS and their families is an ongoing concern for AIDS housing providers, policy makers, and advocates across the country. Stable housing promotes improved health status, sobriety or decreased use of nonprescription drugs, and a return for some persons with AIDS to productive work and social activities. HUD has pointed out that stable housing is the cornerstone of HIV/AIDS treatment.

Recent studies, according to HUD, confirm that persons living with HIV/AIDS must have stable housing to access comprehensive healthcare and adhere to complex HIV/AIDS drug therapies. Even though stable housing has been shown to be a necessary link to medical and supportive services, accessing housing is difficult as the wait for affordable housing increases in many communities across the country. Compounding the problem of waiting lists is access to housing with the services to care and treat

the increasing number of persons living not only with HIV/AIDS but also with histories of homelessness, mental illness, and substance abuse.

Persons living with HIV/AIDS and their families may require housing that provides emergency, transitional, or long-term affordable solutions. A variety of HUD programs and projects provide such housing; however, this housing often is not the typical “house” structure. HIV/AIDS housing includes short and long-term rental assistance, live-in medical facilities, and housing sites developed exclusively for people living with AIDS.

The *2016 Los Angeles Coordinated HIV Needs Assessment (LACHNA 2016)* collected interview data from a representative sample of 277 respondents from 35,276 persons living with HIV who were in medical care in 2014. Respondents were asked about their use of, need for, and access to 16 selected HIV-related care and support services in the previous 12 months. Housing Services ranked high in service gaps at #3 with 58.5% (n=62) of respondents reporting that they did not receive this needed service. The top main and the most common barrier to Housing Services was “Didn’t know where to go or whom to call” (35.5% and 50.0%, respectively). These findings were similar to LACHNA-2011, in which rental assistance and short-term rent/mortgage ranked #2 and #3. Previous barriers were similar and included both individual (not aware service was available, not aware of location or did not know whom to ask for help) and organizational (service provider insensitive to concerns, wait time too long, provided wrong referrals) barriers.

Sources:

Division of HIV and STD Programs, Los Angeles County Department of Public Health. 2016 Annual HIV Surveillance Report. <http://publichealth.lacounty.gov/dhsp/Reports.htm>. Published June 2018.

Division of HIV and STD Programs, Los Angeles County Department of Public Health and the Los Angeles County Commission on HIV, Los Angeles Coordinated HIV Needs Assessment (LACHNA) 2016: Final Report, July 2017:1-77.

Los Angeles County Commission on HIV and the Los Angeles County Department of Public Health Division of HIV and STD Programs. Los Angeles County Comprehensive HIV Plan (2017- 2021), September 2016:1-165

Discussion:

Refer to narratives above.

NA-50 Non-Housing Community Development Needs – 91.215 (f)

Describe the jurisdiction's need for Public Facilities:

“Public facilities” includes, but is not limited to, neighborhood/community facilities and facilities for persons with special needs (e.g. homeless shelters, group homes, and halfway houses).

Various needs include, but are not limited to, a new municipal park known as the Urban Orchard Project that will add 7 acres of new park land and public facilities; Renovate Cookhouse at South Gate Park; Replace Floor at the Girls Clubhouse; Replace Roof at South Gate Park Auditorium; Renovate Restrooms and Paint/Refinish Interior Meeting Room at Recreation Hut No. 3 at South Gate Park; Reseal, Reroof and Replaced Doors of Restroom No. 6 at South Gate Park.

How were these needs determined?

Public facility needs were determined through public input via the Community Needs Survey, agency and stakeholder consultation, Capital Improvement Program, and staff recommendations.

Describe the jurisdiction's need for Public Improvements:

CDBG funds may be used for the acquisition, construction, reconstruction, rehabilitation, or installation of public improvements or public facilities. “Public improvements” includes, but is not limited to, streets, sidewalks, water and sewer lines, and parks.

The City has over 180-acres of municipal parks. Various needs include, but are not limited to, a new municipal park known as the Urban Orchard Project that will add 7 acres of new park land; South Gate Park Electrical System Upgrades Project; Playground Upgrades at Cesar Chavez; and Replacement of PA System at the Sport Center; Reroof and Paint Park Yard Bays.

The City of South Gate is fully built-out. It is supported by a 125-mile roadway network that spans the entire City. City roadways are equipped with sidewalks, curbing, curb ramps and other. Therefore, the City already has roads, sidewalk and curbing where they are needed most such as in residential, commercial and industrial areas, and areas with schools, public facilities, municipal parks and shopping districts (Priority Areas). However, it should be noted that the design and the condition of the roadway network could be enhanced in Priority Areas. For example, according to the ADA Self Evaluation and Transition Plan, the roadway network is in need of \$26.9 Million in improvements to comply with ADA. According to the Pavement Management Plan, road pavement maintenance back-log is \$77 Million. According to the Bike Transportation Plan, the roadway network is in need of miles of bike lanes. Finally, there are limited segments of road that are without sidewalks, such as Firestone Boulevard over the I-710 Freeway, Alameda Streets between Sequoia Dr. and Seminole Ave., Howery St, Fleet Dr, Cloverlawn Dr in the Hollydale area and Frontage Road by the Thunderbird Villa Mobile Home Park.

The City has a sanitary sewer system equipped with 120 miles of sewer mains. It was recently assessed through a Sewer Master Plan (SMP). The SMP includes a 5-year Capital Improvement Program (CIP Program) that plans for \$3.5 Million in improvements. This includes annual sewer lining improvements, and sewer main upgrades. The improvements are planned however not currently funded. The City's current CIP Program includes a funded improvement project for the sewer system. The project will

rehabilitate the sewer mainline located on California Ave from Tweedy Blvd to the southern City limits. The CIP Program also includes a funded improvement to the municipal water system. It entails replacing temporary chlorination systems with permanent systems

How were these needs determined?

Public improvement needs were determined through agency and stakeholder consultation, Capital Improvement Program, Sewer Master Plan, ADA Self Evaluation and Transition Plan, Pavement Management Plan, and staff recommendations.

Describe the jurisdiction's need for Public Services:

Public services are also generally eligible under the CDBG Program. These public service activities may include, but are not limited to job training and employment services, health care and substance abuse services, childcare, crime prevention, and fair housing counseling.

Public service needs in the City include the following:

- Domestic Violence Prevention/Education: There is a disproportionate number of domestic violence cases in the City
- Substance Abuse Services: For both youth and adults, substance abuse services are a priority in the community
- Senior Services: The Senior Center's facility and services should be expanded to meet the growing need in the community
- Youth Services: Leadership, guidance and direction for youth is a priority in the City
- Graffiti Abatement: Left unchecked, graffiti can be a major contributor to increased gang activity

Additionally, the need for public and supportive services in the City is extensive, especially for persons with special needs.

How were these needs determined?

Public services needs were determined through public input via the Community Needs Survey, agency, and stakeholder consultation, social services need indicators (e.g., poverty), and staff recommendations. (With regard to social services need indicators refer to the Anti-Poverty Strategy – SP 70).

Additionally, CDBG funds may also be expended on activities related to economic development. The following are examples of eligible activities that can be funded by CDBG: microenterprise assistance, commercial rehabilitation, and special economic development activities.

Housing Market Analysis

MA-05 Overview

Housing Market Analysis Overview:

The housing market analysis includes data on:

- Number of Housing Units (MA-10)
- Housing Market Analysis: Cost of Housing (MA-15)
- Housing Market Analysis: Condition of Housing (MA-20)
- Public and Assisted Housing (MA-25)
- Homeless Facilities and Services (MA-30)
- Special Needs Facilities and Services (MA-35)
- Barriers to Affordable Housing (MA-40)
- Non-Housing Community Development Assets (MA-45)
- Needs and Market Analysis Discussion (MA-50)

The housing market analysis provides information on the number and type of housing units as well as the cost and condition of housing. The information also discusses the facilities and services that are available to address the needs of homeless persons as well as special needs populations such as the elderly, frail elderly and disabled. Information also is presented on the public sector barriers to the development of affordable housing. Finally, an analysis is presented of community development assets with a focus on employment and local economic conditions.

MA-10 Number of Housing Units – 91.210(a)&(b)(2)

Introduction

Table 26 shows the number of housing units by structure size based on the 2011-2015 ACS. Single-family homes (1-unit structures) make up most of the housing market within the City. These homes comprise 65% of the housing market, with 57% of the housing market consisting of 1-unit detached structures alone. Multi-family units decrease in number with the increase of unites. The breakdown is as follows 2-4 units (18%), 5-19 units (12%) and 20+ units (4%).

Table 27 shows the number of housing units by unit size and tenure based on the 2011-2015 ACS. In total, owner-occupied homes represent about 45% of the overall housing stock. In terms of unit size, most owner-occupied homes are 3 or more bedrooms (60%), with a small amount representing two-bedroom homes (37%), and just 4% consisting of one- or zero-bedroom homes. This differs from renter-occupied units, where the largest portion consists of one-bedroom units (41%). These are followed by

two-bedroom units (38%), 3+ bedroom units (16%), and no bedroom units (5%). In total, renter-occupied households represent about 55% of the housing stock.

The unit size distribution demonstrates the housing stock can meet the needs of persons living alone, small families as well as large families.

All residential properties by number of units

| Property Type | Number | % |
|----------------------------------|---------------|-------------|
| 1-unit detached structure | 13,840 | 57% |
| 1-unit attached structure | 1,955 | 8% |
| 2-4 units | 4,380 | 18% |
| 5-19 units | 2,810 | 12% |
| 20 or more units | 865 | 4% |
| Mobile Home, boat, RV, van, etc. | 310 | 1% |
| Total | 24,160 | 100% |

Table 26 – Residential Properties by Unit Number

Data Source: 2011-2015 ACS

Unit Size by Tenure

| | Owners | | Renters | |
|--------------------|---------------|-------------|---------------|-------------|
| | Number | % | Number | % |
| No bedroom | 105 | 1% | 685 | 5% |
| 1 bedroom | 265 | 3% | 5,200 | 41% |
| 2 bedrooms | 3,910 | 37% | 4,850 | 38% |
| 3 or more bedrooms | 6,315 | 60% | 2,060 | 16% |
| Total | 10,595 | 101% | 12,795 | 100% |

Table 27 – Unit Size by Tenure

Data Source: 2011-2015 ACS

Describe the number and targeting (income level/type of family served) of units assisted with federal, state, and local programs.

Nine publicly subsidized, multifamily rental developments which have a total of 321 subsidized affordable housing units are located in the City. Federal, state, and local funding programs are described below:

The federal Section 8 New Construction Program subsidized the development of Pennsylvania Square. Federal HOME funds and local Redevelopment Housing Set-Aside funds subsidized the development of Dudlext II Senior Apartments.

Federal HOME funds contributed to the development of Burke Avenue Apartments (8 units); 11343 Pennsylvania Avenue (4 units); and 2418 Glenwood Place (4 units).

Federal/State low income housing tax credits subsidized the development of Hollydale Plaza Apartments (101 units).

Local Redevelopment Housing Set-Aside funds contributed to the development of Pine Place (18 units); Ardmore Terrace Senior Apartments (22 units) and California Senior Plaza (69 units).

All of the affordable housing units are targeted to seniors and people with developmental disabilities.

Provide an assessment of units expected to be lost from the affordable housing inventory for any reason, such as expiration of Section 8 contracts.

Six of the nine developments have terms of affordability lasting to between 2033 and 2061. The three at-risk housing developments are listed below:

Pennsylvania Square: This 75-unit complex was developed with a HUD Section 221(D)(4) market-rate financing which places no affordability control on the units developed. The affordability of this senior complex is maintained by a Section 8 contract that is due to expire on January 12, 2014; however, this contract is expected to be renewed prior to the expiration date as the property owner has not yet filed the required Notice of Intent to opt out of the Section 8 program.

Dudlex II Senior Apartments (South Gate Park Villas): The 20-unit Dudlex II Senior Apartments were constructed with federal HOME funds and a City of South Gate Redevelopment Agency land write down.

Pine Place: This 22-unit complex is occupied by qualified senior citizens. Pine Place is a locally assisted development with funds provided through the South Gate Redevelopment Agency. Additionally, the project was granted parking concessions that also constituted local assistance. The project was completed in 1986 and has a total of 18 subsidized units with a 30-year deed restriction due to expire in 2016.

Does the availability of housing units meet the needs of the population?

The City's housing stock is comprised of approximately 24,500 to 24,600 housing units. Single-family detached structures comprise almost two of every three housing units. Therefore, there is an abundance of housing available for owner occupancy by the elderly, small families, and large families.

The rental housing inventory meets a variety of housing needs. However, there is a need for additional affordable rental housing as a high percentage of renters are cost burdened. The City continues to work with the CHDO non-profit housing organizations to expand the affordable housing stock. However, the state-mandated dissolution of the Redevelopment Agency hinders these efforts. The Redevelopment Agency was the source for the Low- and Moderate-Income Housing Fund.

Describe the need for specific types of housing:

The *2014-2021 Housing Element* included goals, objectives, and policies for the types of housing needed in the community.

One goal is to: Provide a range of housing prices, unit types, and sizes to accommodate the varied needs of all socioeconomic segments of South Gate, fostering diverse and balanced community.

One objective is to: Encourage the development of housing that caters to the special needs groups, including the elderly, persons with disabilities, students, large families, and the homeless.

One policy is: The City will promote the development of a continuum of housing options for seniors, ranging from granny flats, small single-family homes, condominiums/townhomes, apartments, assisted living, to residential care facilities.

Discussion

Refer to the discussion in the preceding paragraphs.

MA-15 Housing Market Analysis: Cost of Housing - 91.210(a)

Introduction

One of the most important factors in evaluating a community's housing market is the cost of housing and, even more significant, whether the housing is affordable to households who live there or would like to live there. Housing problems directly relate to the cost of housing in a community. If housing costs are relatively high in comparison to household income, a correspondingly high rate of housing cost burden and overcrowding could result.

Cost of Housing

The American Community Survey annually reports rental costs. The *median gross rents* for these three time periods are as follows:

| | |
|------|---------|
| 2005 | \$788 |
| 2010 | \$948 |
| 2017 | \$1,011 |

The *median home values* for the same three time periods are listed below:

| | |
|------|-----------|
| 2005 | \$396,400 |
| 2010 | \$288,700 |
| 2017 | \$420,800 |

The 2010 median home value reflects the downward pressures caused by the Great Recession. The 2017 figure surpasses the 2005 median home value which happened at the height of the housing bubble.

Additional rental cost of housing is described below:

| Gross Rent | Number | % |
|--------------------|--------|--------|
| Less than \$500 | 279 | 2.1% |
| \$500 to \$999 | 4,705 | 35.3% |
| \$1,000 to \$1,999 | 7,910 | 59.3% |
| \$2,000 or more | 442 | 3.3% |
| | 13,336 | 100.0% |

As noted above, nearly 40% of all renters had monthly rents of \$1,000 or less. To afford a \$1,000 monthly rent, an annual income of \$40,000 is necessary based on 30% of income being allocated to the cost of housing. Almost 60% of all renters had monthly gross rents in the range of \$1,000 to \$1,999. Although this is a wide range indeed, these rent levels are not affordable to many of the City's renter households.

Additionally, the 2017 American Community Survey reported that 377 renters paid no cash rent. According to the ACS, "housing units that are renter occupied without payment of rent are shown separately as "No rent paid." The unit may be owned by friends or relatives who live elsewhere and who allow occupancy without charge. Rent-free houses or apartments may be provided to compensate caretakers, ministers, tenant farmers, sharecroppers, or others. "

Cost of Housing

| | Base Year: 2009 | Most Recent Year: 2015 | % Change |
|----------------------|-----------------|------------------------|----------|
| Median Home Value | 405,200 | 312,200 | (23%) |
| Median Contract Rent | 844 | 954 | 13% |

Table 28 – Cost of Housing

Data Source: 2005-2009 ACS (Base Year), 2011-2015 ACS (Most Recent Year)

| Rent Paid | Number | % |
|-----------------|---------------|--------------|
| Less than \$500 | 674 | 5.3% |
| \$500-999 | 6,755 | 52.8% |
| \$1,000-1,499 | 4,005 | 31.3% |
| \$1,500-1,999 | 1,130 | 8.8% |
| \$2,000 or more | 220 | 1.7% |
| Total | 12,784 | 99.9% |

Table 29 – Rent Paid

Data Source: 2011-2015 ACS

Housing Affordability

| % Units affordable to Households earning | Renter | Owner |
|--|---------------|--------------|
| 30% HAMFI | 440 | No Data |
| 50% HAMFI | 2,445 | 134 |
| 80% HAMFI | 9,940 | 1,124 |
| 100% HAMFI | No Data | 4,124 |
| Total | 12,825 | 5,382 |

Table 30 – Housing Affordability

Data Source: 2011-2015 CHAS

Monthly Rent

| Monthly Rent (\$) | Efficiency (no bedroom) | 1 Bedroom | 2 Bedroom | 3 Bedroom | 4 Bedroom |
|-------------------|-------------------------|-----------|-----------|-----------|-----------|
| Fair Market Rent | 1,158 | 1,384 | 1,791 | 2,401 | 2,641 |
| High HOME Rent | 1,158 | 1,253 | 1,506 | 1,730 | 1,911 |
| Low HOME Rent | 913 | 979 | 1,175 | 1,357 | 1,515 |

Table 31 – Monthly Rent

Data Source: HUD FMR and HOME Rents

Is there sufficient housing for households at all income levels?

Numerically, there is a sufficient supply of housing for all households. There are 737 vacant housing units (a 3% vacancy rate.) However, the cost of housing exceeds the ability to pay of many low- and moderate-

income households. Thus, a significant number of both owner and renter low/moderate income households are cost burdened or crowded or both.

How is affordability of housing likely to change considering changes to home values and/or rents?

The median household increased from \$36,695 to \$42,776 (+20%) between 2000 and 2013. The American Community Survey estimates that the City's 2017 median household income was \$51,959, a 21% increase from the 2013 figure.

Per the 2011-2015 ACS, South Gate's median home value is \$312,200 and the median monthly contract rent is \$954. About 40% of all renter households pay between \$1,000 and \$1,999 a month for housing.

Although there is a supply of housing (13,643) affordable to moderate income (50%-80% AMI) owners and renters, housing affordable to extremely low- and very low-income owners and renters is very limited (Table 30).

In general, incomes have not kept pace with the rising cost of both rental and owner housing.

How do HOME rents / Fair Market Rent compare to Area Median Rent? How might this impact your strategy to produce or preserve affordable housing?

The Fair Market Rents and HOME rents (Table 30) generally approximate South Gate rents. The City's 2017 median gross rents by number of bedrooms are listed below:

| | |
|-------------|---------|
| No bedrooms | \$844 |
| 1 bedroom | \$940 |
| 2 bedrooms | \$1,237 |
| 3 bedrooms | \$1,629 |
| 4 bedrooms | \$1,581 |
| Total | \$1,111 |

Gross rent is the contract rent plus the estimated average monthly cost of utilities (electricity, gas, and water and sewer) and fuels (oil, coal, kerosene, wood, etc.) if these are paid by the renter (or paid for the renter by someone else). Gross rent is intended to eliminate differentials that result from varying practices with respect to the inclusion of utilities and fuels as part of the rental payment.

A comparison of the City's median gross rents to the FMRs and HOME rents indicates that more than one-half of the City's supply of rental housing has rents at or below the limits of the Fair Market Rents and HOME rents.

Thus, maximum rent limits probably would not pose a major barrier to the rehabilitation and preservation of housing with HOME funds. The production of new rental housing would likely command rents higher than the FMRs and HOME rents. However, deep subsidies are necessary to produce housing affordable to extremely low- and low-income households. HOME funds often need to be combined with other state and federal resources to facilitate the production of affordable rental housing developments of 20 or more dwellings.

Discussion

Please refer to the text in the preceding paragraphs.

MA-20 Housing Market Analysis: Condition of Housing – 91.210(a)

Introduction

Assessing housing conditions in South Gate can provide the basis for developing policies and programs to maintain and preserve the quality of the housing stock. The American Community Survey (ACS) defines a "selected condition" as owner- or renter-occupied housing units having at least one of the following conditions: 1) lacking complete plumbing facilities, 2) lacking complete kitchen facilities, 3) more than one occupant per room, and 4) selected monthly housing costs greater than 30% of household income.

Definitions

The condition of housing narrative must include definitions of the following:

- "standard condition"
- "substandard condition but suitable for rehabilitation"

The City defines a housing unit in standard condition as a unit that meets all state and local codes.

The City defines a housing unit in substandard condition but suitable for rehabilitation as a unit that does not meet one or more state or local code requirements but it structurally and financially feasible to rehabilitate.

The City provides general code compliance citywide through the Community Development Department's Building Division Code Enforcement Program. This program is both pro-active and re-active. Staff contacts the person against whom a complaint was filed or where a possible violation is observed to request an inspection to assess whether a code violation does exist. City staff works with individuals to correct violations, with corrections including improvement of substandard housing conditions and blight as well as neighborhood safety.

Condition of Units

Housing is considered suitable for rehabilitation when it is economically feasible to renovate the building and bring it up to standard condition meeting all codes, including City codes.

Typically, housing over 30 years of age needs some form of major rehabilitation, such as a new roof, foundation work, and plumbing. With a vast majority (approximately 90 percent) of the City's housing stock built prior to 1980, housing rehabilitation is clearly a priority need for the community. City staff estimates approximately 25 percent of housing units in the City require substantial rehabilitation and no housing units require replacement.

Table 32 shows that most housing units have one selected condition for both owners and renters. This is followed by units with no selected conditions for both owners and renters. Housing units with two conditions are greater in the renter units (20%) versus owner-occupied units (8%).

Table 33 data shows that 61% of the owner-occupied housing units were built before 1950, compared to the 36% for renter occupied units. Units built after 1950 are occupied by renters at a higher rate than homeowners.

HUD did not provide data for Table 35 – Vacant Units.

| Condition of Units | Owner-Occupied | | Renter-Occupied | |
|--------------------------------|----------------|-------------|-----------------|------------|
| | Number | % | Number | % |
| With one selected Condition | 3,380 | 37% | 7,190 | 51% |
| With two selected Conditions | 375 | 4% | 2,015 | 14% |
| With three selected Conditions | 0 | 0% | 50 | 0% |
| With four selected Conditions | 0 | 0% | 0 | 0% |
| No selected Conditions | 5,335 | 59% | 4,835 | 34% |
| Total | 9,090 | 100% | 14,090 | 99% |

Table 32- Condition of Units

Data Source: 2011-2015 ACS

Year Unit Built

| Year Unit Built | Owner-Occupied | | Renter-Occupied | |
|-----------------|----------------|------------|-----------------|-------------|
| | Number | % | Number | % |
| 2000 or later | 495 | 5% | 539 | 4% |
| 1980-1999 | 1,315 | 14% | 2,560 | 18% |
| 1950-1979 | 5,530 | 61% | 9,385 | 67% |
| Before 1950 | 1,755 | 19% | 1,600 | 11% |
| Total | 9,095 | 99% | 14,084 | 100% |

Table 33 – Year Unit Built

Data Source: 2011-2015 CHAS

Risk of Lead-Based Paint Hazard

| Risk of Lead-Based Paint Hazard | Owner-Occupied | | Renter-Occupied | |
|---|----------------|-----|-----------------|-----|
| | Number | % | Number | % |
| Total Number of Units Built Before 1980 | 7,285 | 80% | 10,985 | 78% |
| Housing Units build before 1980 with children present | 1,185 | 13% | 265 | 2% |

Table 34 – Risk of Lead-Based Paint

Data Source: 2011-2015 ACS (Total Units) 2011-2015 CHAS (Units with Children present)

Vacant Units

| | Suitable for Rehabilitation | Not Suitable for Rehabilitation | Total |
|--------------------------|-----------------------------|---------------------------------|-------|
| Vacant Units | | | |
| Abandoned Vacant Units | | | |
| REO Properties | | | |
| Abandoned REO Properties | | | |

Table 35 - Vacant Units

Need for Owner and Rental Rehabilitation

Age is an important determinant in the condition of housing stock. Typically, the older housing is, the more likely it is to need maintenance or rehabilitation. With a vast majority (approximately 86%) of the City's housing stock built prior to 1980, housing rehabilitation is clearly a priority need for the community.

The rehabilitation of the aging existing housing stock is facilitated by the City's Housing Improvement Program. The financial features of the program are described below:

Deferred Payment Loan – offers a zero % interest loan which is deferred until title is transferred or property is sold or refinanced. Eligible repairs include roofing, painting, stucco, garage doors, driveway, window replacement, and correction of code violations, with the exception of garage restoration fees. Work must be completed by a State licensed General Contractor. Maximum loan amount is \$65,000. If any rental units are rehabilitated along with the owner-occupied unit on the same lot, a minimum affordability period of 10 -15 years will be required for the rental units. Work must be completed in six (6) months.

Special Grant – must be used in conjunction with a Deferred Payment Loan. Provides grant funds for lead paint testing and abatement, termite inspection and repairs. This Special Grant does not have to be repaid. Work must be completed by a State licensed Contractor. The maximum Special Grant amount is \$10,000.

Estimated Number of Housing Units Occupied by Low- or Moderate-Income Families with LBP Hazards

Housing age is the key variable used to estimate the number of housing units with lead-based paint (LBP). Starting in 1978, the federal government prohibited the use of LBP on residential property.

A HUD-EPA study found that "...83 percent of all privately occupied housing units in the United States built before 1980 have lead-based paint on some surface in or around the building." In the West region, the prevalence rate was 73%. The US prevalence rates by age of housing were:

| | |
|-------------|-----|
| Before 1940 | 88% |
| 1940-1959 | 92% |
| 1960-1959 | 88% |

The City's age of housing cohorts (Table 33) are not the same as those listed above. Therefore, the West Region 73% prevalence rate was applied to the 20,648 housing units built before 1980. Thus, it is estimated that approximately 15,100 may contain lead-based paint.

Based on 2011-2015 ACS data, 71% of all households have low-and moderate-incomes – that is, less than 80% of the area median income. Applying this percentage (73%) to the total number of units that may have lead-based paint (15,100) results in an estimated 11,000 housing units that may contain LBP hazards occupied by low/moderate income families.

The City has addressed the issue of LBP hazards by providing notices to Landlords and Tenants that participate in the Section 8 Housing Choice Voucher Program and Borrowers/Tenants of the City's

Rehabilitation Loan Program, warning them of the hazards of LBP. Additionally, all rental units that are rehabilitated with CDBG and HOME funds are subject to LBP compliance requirements. Through the creation of new affordable housing units, low-income households can reside in new housing units that are free of LBP hazards.

Discussion

The City will continue to encourage the rehabilitation of the existing housing stock through the Housing Improvement Program and other programs that may become available in the future. South Gate will also continue to apply for other funds from the State Department of Housing and Community Development (HCD) to provide grants to assist owner households with needed repairs.

MA-25 Public and Assisted Housing – 91.210(b)

Introduction

The City does not participate in public housing activities.

Totals Number of Units

| | Certificate | Mod-Rehab | Public Housing | Program Type | | | | | |
|-------------------------------|-------------|-----------|----------------|--------------|----------------|---------------|-------------------------------------|----------------------------|------------|
| | | | | Total | Project -based | Tenant -based | Vouchers | | |
| | | | | | | | Veterans Affairs Supportive Housing | Family Unification Program | Disabled * |
| # of units vouchers available | | | | 654 | | | 0 | 0 | 0 |
| # of accessible units | | | | | | | | | |

***includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition**

Table 36 – Total Number of Units by Program Type

Data Source: PIC (PIH Information Center)

Describe the supply of public housing developments:

Describe the number and physical condition of public housing units in the jurisdiction, including those that are participating in an approved Public Housing Agency Plan:

The South Gate Housing Authority (SGHA) does not own or operate any public housing units. The SGHA administers 654 Housing Choice Vouchers which must pass an annual Housing Quality Standards (HQS) inspection in addition to an HQS inspection prior to move-in to the assisted unit.

The SGHA Administrative Plan addresses strategies to educate low-income voucher holders on HQS information, offers suggestions on how to talk to potential landlords about the voucher program and encourages participants to know their rights as tenants. All these efforts help ensure that voucher holders occupying private rental units are living in safe and decent conditions.

Public Housing Condition

| Public Housing Development | Average Inspection Score |
|----------------------------|--------------------------|
| | |

Table 37 - Public Housing Condition

Describe the restoration and revitalization needs of public housing units in the jurisdiction:

Typically, HQS inspection failures in the HCV program are due to minor maintenance issues that are repaired in 30 days or less following the failed inspection. The SGHA takes a proactive approach in working with property owners and managers on safety and habitability issues, such as sharing information on new requirements regarding carbon monoxide detectors.

Describe the public housing agency's strategy for improving the living environment of low- and moderate-income families residing in public housing:

In addition to ensuring safety and habitability through HQS compliance and other efforts, such as requirements for carbon monoxide detectors, the HCV program also provides notices to landlords and tenants warning them of the hazards of lead-based paint.

Although the HCV program primarily serves extremely-low and very-low income families, the Housing Authority provides information to the general public about quality affordable housing developments, and referrals to Fair Housing and local building code enforcement departments to assist families in improving their living environments.

Discussion:

Refer to the above narratives.

MA-30 Homeless Facilities and Services – 91.210(c)

Introduction

MA-30 requires a brief inventory of facilities, housing, and services that meet the needs of homeless persons within the City, particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth. The inventory of services must include both services targeted to homeless persons and mainstream services, such as health, mental health, and employment services to the extent those services are used to complement services targeted to homeless persons.

Homeless facilities and services are defined below:

- **Emergency Shelter:** Any facility, the primary purpose of which is to provide a temporary shelter for the homeless in general or for specific populations of the homeless, and which does not require occupants to sign leases or occupancy agreements.
- **Transitional Housing:** Housing, where all program participants have signed a lease or occupancy agreement, the purpose of which is to facilitate the movement of homeless individuals and families into permanent housing within 24 months or such longer period as HUD determines necessary. The program participant must have a lease or occupancy agreement for a term of at least one month that ends in 24 months and cannot be extended.
- **Permanent Housing:** Community-based housing without a designated length of stay and includes both permanent supportive housing and rapid re-housing. To be permanent housing, the program participant must be the tenant on a lease for a term of at least one year, which is renewable for terms that are a minimum of one month long and is terminable only for cause.
- **Permanent Supportive Housing:** Permanent housing in which supportive services are provided to assist homeless persons with a disability to live independently.

Table 38 - Facilities and Housing Targeted to Homeless Households – shows that homeless facilities and housing are not located within the City of South Gate.

Facilities and Housing Targeted to Homeless Households

| | Emergency Shelter Beds | | Transitional Housing Beds | Permanent Supportive Housing Beds | |
|---|---------------------------------|------------------------------------|---------------------------|-----------------------------------|-------------------|
| | Year-Round Beds (Current & New) | Voucher / Seasonal / Overflow Beds | Current & New | Current & New | Under Development |
| Households with Adult(s) and Child(ren) | 0 | 0 | 0 | 0 | 0 |
| Households with Only Adults | 0 | 0 | 0 | 0 | 0 |
| Chronically Homeless Households | 0 | 0 | 0 | 0 | 0 |
| Veterans | 0 | 0 | 0 | 0 | 0 |
| Unaccompanied Youth | 0 | 0 | 0 | 0 | 0 |

Table 38 - Facilities and Housing Targeted to Homeless Households

Describe mainstream services, such as health, mental health, and employment services to the extent those services are used to complement services targeted to homeless persons

The City of South Gate participates in the County of Los Angeles' Continuum of Care system that provides services and facilities for the homeless and is comprised of local government jurisdictions, federal agencies, non-profit service and housing providers, technical assistance organizations, and organizations from the faith community.

The Los Angeles County Department of Health Services (DHS) aims to ensure access to high quality, patient-centered, cost-effective health care to Los Angeles County residents through direct services at DHS facilities and through collaboration with community and university partners. The DHS provides a range of family, emergency, and specialty health services.

The Los Angeles County Department of Public Social Services (DPSS) is another County resource that offers various programs to promote health among low-income County residents. For example, the homeless programs and services for CalWORKS families are described below:

- Homeless Assistance Program (Temporary, Permanent, and Permanent Arrearages)
- Moving Assistance (MA) Program
- Emergency Assistance to Prevent Eviction (EAPE) Program
- 4-Month Rental Assistance (RA) Program
- Homeless Case Management Program
- District Access Team
- Temporary Homeless Assistance Program (THAP)

These homeless benefits and services are administered together by Eligibility Workers and Homeless Case Managers in CalWORKS district offices and Homeless Supportive GAIN Services Workers in (Greater Avenues for Independence Program (GAIN) regions.

Services offered by the Los Angeles County Department of Mental Health (DMH) include assessments, case management, crisis intervention, medication support, peer support, and other rehabilitative services.

Employment plays a key role in ending homelessness. It also supports recovery for those suffering from mental and substance use disorders. Unfortunately, homeless people face many barriers to finding and sustaining employment. People who are chronically homeless often suffer the impacts of mental illness, substance abuse and co-occurring disorders. Homeless people also confront serious personal challenges, such as a lack of interviewing skills, job credentials, a fixed address and phone number, identification cards, and interview clothes. They may also have issues adapting to a regular work schedule or work environment and problems with their personal appearance or hygiene. Homeless youth face additional obstacles, including a lack of education or vocational preparation. Moreover, many homeless individuals are on the wrong side of the "digital divide," meaning they are unfamiliar or uncomfortable with increasingly prevalent modern technology such as computers. In addition, many mainstream employment programs do not effectively serve this population.

The Hub Cities WorkSource Center is made possible through funding and support from a variety of partners. All services are provided to employers and job seekers at no cost through the Federal Workforce Innovation Opportunity Act (WIOA). Hub Cities One-Stop Career Center, based in Huntington Park,

California, was founded in 1988 as the primary public job training and placement center for residents of the cities of Huntington Park, South Gate, Lynwood, Cudahy, Maywood and Bell Gardens.

HUB Cities offers several job seeker services including training assistance, referrals to ESL programs, services for veterans, and assistive devices for individuals with disabilities.

The Veteran Administration's Compensated Work Therapy (CWT) Program is a national vocational program comprised of three unique programs which assist homeless veterans in returning to competitive employment: Sheltered Workshop, Transitional Work, and Supported Employment. Veterans in CWT are paid at least the federal or state minimum wage, whichever is higher.

List and describe services and facilities that meet the needs of homeless persons, particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth. If the services and facilities are listed on screen SP-40 Institutional Delivery Structure or screen MA-35 Special Needs Facilities and Services, describe how these facilities and services specifically address the needs of these populations.

There are a variety of agencies in the region that provide housing options and case management assistance including those returning from mental and physical health institutions. They provide the option of living independently in a group setting. They are:

- **Rio Hondo Temporary Home, Norwalk** – Provides emergency food and transitional shelter for families with children in the Cerritos, Downey, La Mirada, Montebello, Norwalk, Pico Rivera, Santa Fe Springs and Whittier areas. There are no geographical restrictions for residents.
- **Santa Fe Springs Transitional Living Center, Whittier** – Provides shelter for homeless families in transition, most of whom are single parents or victims of domestic violence and substance abuse, in Los Angeles County.
- **Hospitality Housing, Whittier** – Provides homeless support services for single adults 18 years and older and families with children.
- **Birch Grove Homes, Norwalk** - Provides supportive services to 20 persons in an existing permanent housing program for persons with mental health disabilities.
- **Community Housing Options, scattered sites** - Provides permanent supportive housing to homeless persons and families living with HIV/AIDS or dual diagnoses.
- **Denker House/Harvest House, scattered sites** - Provides supportive services in an existing permanent housing program for persons with disabilities.
- **Homes for Life Foundation, Norwalk** - Provides permanent housing to eight persons with mental health disabilities in eight one-bedroom apartment style units.
- **Su Casa Domestic Violence Network, Lakewood** - Provides crisis intervention service for domestic violence victims and their children, for a maximum of 30 consecutive days.
- **Salvation Army, Bell Shelter** – Provides emergency shelter services and transitional care for up to 350 homeless men and women.
- **The Southern California Rehabilitation Services** – An independent living resource center in Downey which offers programs to eligible South Gate residents that provide people with the tools to learn how to live independently including cooking, budgeting, reading and finding employment. They also offer disability assistance for improvements on homes for people with disabilities.

The City also assists low income, special needs and homeless with the CDBG Public Service Category of funding to local non-profits. The eligible activities include, but are not limited to, employment services (e.g. job training), crime prevention and public safety, child care, health services, substance abuse services (e.g., counseling and treatment), fair housing counseling, education programs, services for senior citizens and services for homeless persons.

The City staff administers two homeless programs:

Homeless Prevention Program

The City of South Gate plans, coordinates and organizes strategies to assist the City's homeless population in collaboration with other public and private organizations. The County of Los Angeles through Los Angeles Homeless Services Authority (LAHSA) has the primary responsibility for providing regional homeless services.

Individuals and families who do not qualify as South Gate residents are referred to People Assisting the Homeless (PATH) for screening.

Homeless Outreach Program

The South Gate Police Department, in cooperation with The Salvation Army Bell Shelter, operates a homeless outreach program which consists of a mobile outreach team. A Police Department Liaison and personnel from the Bell Shelter coordinate street outreach efforts by vehicle and by foot.

Street outreach, case management, and referrals are provided to homeless families and individuals through this program. Homeless clients are provided guidance in the identification of barriers to overcoming homelessness and the development of a plan to address these challenges. The team then assists clients at a highly supportive level to address those needs which may include accessing mainstream services, increasing income, developing self-determination, and accessing shelter and housing.

MA-35 Special Needs Facilities and Services – 91.210(d)

Introduction

Special needs groups include the elderly, frail elderly, persons with disabilities, persons with alcohol or drug addiction, and victims of domestic violence.

Including the elderly, frail elderly, persons with disabilities (mental, physical, developmental), persons with alcohol or other drug addictions, persons with HIV/AIDS and their families, public housing residents and any other categories the jurisdiction may specify, and describe their supportive housing needs

The Southern California Rehabilitation Center (SCRS) assists people with disabilities to live more independently and to remove architectural and attitudinal barriers in society that limit their independence. Staff provides information and referrals, advocacy, independent living skills, peer support, nursing home transitions, and home modifications. SCRS maintains a waiting list for all cities served by the organization.

In addition, senior and disabled persons live in an Adult Residential Facility (ARF). According to the California Department of Social Services, an ARF is a residential home for adults ages 18 through 59 with mental health care needs or who have physical or developmental disabilities and require or prefer assistance with care and supervision. There are six adult residential care facilities located in South Gate. Five are in single family homes that have a combined capacity of 19 persons. Eden Manor, which has a capacity of 45 persons, is the other adult residential facility.

Nine publicly subsidized, multifamily rental developments which have a total of 321 subsidized affordable housing units are in the City. All the affordable housing units are targeted to seniors and people with disabilities.

In addition, PATH Villas at South Gate is a proposed 60-unit affordable apartment community for veterans and men and women with fragile health moving out of homelessness. The development, which is scheduled for completion in Spring 2020, will include 31 studio apartments, 28 one-bedroom units, and 1 two-bedroom manager's unit.

Describe programs for ensuring that persons returning from mental and physical health institutions receive appropriate supportive housing

The City of South Gate does not receive funding from Federal sources that require the implementation of supportive housing programs for persons returning from mental and physical health institutions.

State law and the Los Angeles County Department of Mental Health (DMH) regulations require a discharge planning process for Acute Care Hospitals, State Mental Hospitals, and Institutions for Mental Disease programs. Housing resources on discharge include independent living with rental assistance, family reunification, living with roommates, permanent supportive housing (PSH), and nursing homes.

California law requires hospitals/regional hospital associations to have protocols for homeless patients. The Hospital Association of Southern California, National Health Foundation, and Illumination

Foundation's Recuperative Care Program must provide post-hospital healthcare services to homeless patients moving from acute care. Services include housing location assistance, residential medical and social support.

Los Angeles County Department of Health Services (DHS) regulations require health care facilities to provide appropriate housing location and supportive services to avoid discharge into homelessness. Programs include: The Recuperative Care Program, nursing facilities, board and care, family reunification, permanent supportive housing (PSH), and affordable housing. DHS also funds 24/7 ES medical services where Case Managers work with patients to obtain housing, services, and benefits.

Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. 91.315(e)

The City will add transitional housing as a permitted use in the Civic Center and Urban Neighborhood zones. The City will also incorporate into the zoning ordinance the by right use requirements of AB 2162. Government Code 65651(a) states:

Supportive housing shall be a use by right in zones where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses, if the proposed housing development satisfies ... certain requirements, including affordability.

For entitlement/consortia grantees: Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. (91.220(2))

The City of South Gate is not an entitlement/consortia grantee.

MA-40 Barriers to Affordable Housing – 91.210(e)

Negative Effects of Public Policies on Affordable Housing and Residential Investment

According to HUD's guidance (Using IDIS to Prepare the Consolidated Plan, May 2018), MA-40 must describe regulatory barriers to affordable housing and describe public policies that affect the cost of housing and incentives to develop, maintain or improve affordable housing. The descriptions must focus on the negative effects on affordable housing of public policies such as *tax policy* affecting land and other property, *land use controls*, *zoning ordinances*, *building codes*, *fees and charges*, *growth limits*, and policies that affect the *return on residential investment*.

Tax policy affecting land and other property is governed by California state law. Property taxes are based on a property's assessed value. Property tax bills show land and improvement values. *Improvements* include all assessable buildings and structures on the land. *It does not necessarily mean recently "improved" property*. State law mandates that all property is subject to taxation unless otherwise exempted. In general, properties that are owned and used by educational, charitable, religious or government organizations may be **exempt** from certain property taxes.

Housing for low-income households owned and operated by a qualifying nonprofit organization is eligible for exemption from property taxes. The eligibility is based on family household income and the following restrictions:

- The property use is restricted to low-income housing by a regulatory agreement, recorded deed restriction, or other legal document;
- The funds that would have been necessary to pay property taxes are used to maintain the affordability of the housing or to reduce the rents for the units occupied by lower income households; and
- The property receives either state or federal low-income housing tax credits or government financing, or 90 percent or more of the tenants are qualified low-income tenants within the prescribed rent levels.

Therefore, South Gate's affordable housing developments owned by nonprofit organizations are eligible for exemption from property taxes.

The City's *2014-2021 Housing Element* identified land use controls that could create barriers to affordable housing.

The Housing Element includes a program to bring the City's zoning regulations into compliance with State and federal laws. The program called for the Zoning Code update to add provisions for various types of special needs housing and remove all previously identified housing constraints. The removal and/or amelioration of the identified barriers were accomplished by the adoption of a comprehensive Zoning Ordinance update that was approved in March 2015. The Zoning Ordinance include updated policies and standards regarding density bonuses; second dwelling units; reasonable accommodation; and definitions for residential care facility, supportive housing, target population, transitional housing, and senior housing.

The City does not have growth limits, or policies and ordinances that regulate the number of housing units that can be constructed annually.

The City does not have ordinances such as rent control that directly affect the residential investment rate of return. In affordable for-sale and for-rent projects, however, the City does enact controls to maintain affordability.

MA-45 Non-Housing Community Development Assets – 91.215 (f)

Introduction

The discussion of non-housing community development assets involves an analysis of the following tables:

- Table 39 – Business Activity
- Table 40 – Labor Force
- Table 41 – Occupations by Sector
- Table 42 – Travel Time
- Table 43 – Educational Attainment by Employment Status
- Table 44 – Education Attainment by Age
- Table 45 – Median Earnings in the Past 12 Months

Economic Development Market Analysis

Business Activity

| Business by Sector | Number of Workers | Number of Jobs | Share of Workers % | Share of Jobs % | Jobs less workers % |
|---|-------------------|----------------|--------------------|-----------------|---------------------|
| Agriculture, Mining, Oil & Gas Extraction | 386 | 5 | 1 | 0 | -1 |
| Arts, Entertainment, Accommodations | 3,911 | 1,872 | 12 | 10 | -3 |
| Construction | 1,615 | 1,088 | 5 | 6 | 1 |
| Education and Health Care Services | 4,600 | 2,067 | 14 | 11 | -4 |
| Finance, Insurance, and Real Estate | 1,271 | 357 | 4 | 2 | -2 |
| Information | 523 | 96 | 2 | 0 | -1 |
| Manufacturing | 5,210 | 5,203 | 16 | 27 | 10 |
| Other Services | 1,167 | 254 | 4 | 1 | -2 |
| Professional, Scientific, Management Services | 1,742 | 714 | 5 | 4 | -2 |
| Public Administration | 0 | 0 | 0 | 0 | 0 |
| Retail Trade | 4,103 | 2,876 | 13 | 15 | 2 |
| Transportation and Warehousing | 1,830 | 3,180 | 6 | 16 | 11 |
| Wholesale Trade | 2,562 | 959 | 8 | 5 | -3 |
| Total | 28,920 | 18,671 | -- | -- | -- |

Table 39 - Business Activity

Data 2011-2015 ACS (Workers), 2015 Longitudinal Employer-Household Dynamics (Jobs)
Source:

Labor Force

| | |
|---|--------|
| Total Population in the Civilian Labor Force | 46,290 |
| Civilian Employed Population 16 years and over | 40,110 |
| Unemployment Rate | 13.34 |
| Unemployment Rate for Ages 16-24 | 29.57 |
| Unemployment Rate for Ages 25-65 | 8.61 |

Table 40 - Labor Force

Data Source: 2011-2015 ACS

| Occupations by Sector | Number of People |
|---|-------------------------|
| Management, business, and financial | 4,120 |
| Farming, fisheries, and forestry occupations | 2,440 |
| Service | 4,815 |
| Sales and office | 10,690 |
| Construction, extraction, maintenance, and repair | 4,085 |
| Production, transportation, and material moving | 3,870 |

Table 41- Occupations by Sector

Data Source: 2022-2015 ACS

Travel Time

| Travel Time | Number | Percentage |
|--------------------|---------------|-------------------|
| < 30 Minutes | 19,280 | 51% |
| 30-59 Minutes | 13,895 | 36% |
| 60 or More Minutes | 4,930 | 13% |
| Total | 38,105 | 100% |

Table 42 - Travel Time

Data Source: 2011-2015 ACS

Education:

Educational Attainment by Employment Status (Population 16 and Older)

| Educational Attainment | In Labor Force | | Not in Labor Force |
|---|--------------------------|-------------------|---------------------------|
| | Civilian Employed | Unemployed | |
| Less than high school graduate | 12,990 | 1,740 | 6,680 |
| High school graduate (includes equivalency) | 8,925 | 1,250 | 3,020 |
| Some college or Associate degree | 7,840 | 955 | 1,795 |
| Bachelor's degree or higher | 3,320 | 295 | 425 |

Table 43 - Educational Attainment by Employment Status

Data Source: 2011-2015 ACS

Educational Attainment by Age

| | Age | | | | |
|---|-----------|-----------|-----------|-----------|---------|
| | 18–24 yrs | 25–34 yrs | 35–44 yrs | 45–65 yrs | 65+ yrs |
| Less than 9th grade | 195 | 1,270 | 2,670 | 8,925 | 4,765 |
| 9th to 12th grade, no diploma | 2,290 | 2,310 | 2,875 | 3,360 | 1,065 |
| High school graduate, GED, or alternative | 3,920 | 4,670 | 3,995 | 4,520 | 1,115 |
| Some college, no degree | 4,410 | 4,200 | 1,930 | 2,230 | 535 |
| Associate degree | 305 | 940 | 495 | 800 | 180 |
| Bachelor's degree | 425 | 1,400 | 980 | 825 | 195 |
| Graduate or professional degree | 20 | 355 | 250 | 240 | 105 |

Table 44 - Educational Attainment by Age

Data Source: 2011-2015 ACS

Educational Attainment – Median Earnings in the Past 12 Months

| Educational Attainment | Median Earnings in the Past 12 Months |
|---|---------------------------------------|
| Less than high school graduate | 20,620 |
| High school graduate (includes equivalency) | 24,876 |
| Some college or Associate's degree | 30,318 |
| Bachelor's degree | 41,583 |
| Graduate or professional degree | 56,420 |

Table 285 – Median Earnings in the Past 12 Months

Data Source: 2011-2015 ACS

Based on the Business Activity table above, what are the major employment sectors within your jurisdiction?

South Gate has fewer jobs (approximately 18, 600) located within the City limits than workers (approximately 28,900) (Table 39).

The business sectors offering the most jobs within South Gate include Manufacturing: 5,203, Transportation and Warehousing: 3,180, and Retail Trade: 2,876.

Most residents are employed in the following business sectors Manufacturing: 5,210, Education and Health Care Services: 4,600, Retail Trade: 4,103, and Arts, Entertainment, and Accommodations: 3,911.

South Gate is home to several major employers who provide plenty of jobs for the local workforce: Koo's Manufacturing, HUDD Transportation Services, B. Hunt Transport, Inc., Tesoro, AltaMed, Primestor, Rock View, World Oil, IRS Demo, and Edison International.

The Southern California Association of Governments (SCAG) also has prepared estimates of the total jobs in the South Gate. According to SCAG, total jobs include wage and salary jobs and jobs held by business owners and self-employed persons. The total job count does not include unpaid volunteers or family workers, and private household workers. In 2017, total jobs in the City of South Gate numbered 22,440, an increase of 9.3% from 2007. A sector-by-sector analysis is provided in the following paragraphs.

Manufacturing jobs include those employed in various sectors including food, apparel, metal, petroleum and coal, machinery, computer and electronic products, and transportation equipment. In 2017, the total manufacturing jobs numbered 3,373. Between 2007 and 2017, the number of manufacturing jobs in the City decreased by 13.1%.

Construction jobs include those engaged in both residential and non-residential construction. In 2017, the total construction jobs numbered 617. Between 2007 and 2017, construction jobs in the City decreased by 18.3%.

Retail trade jobs include those at various retailers including motor vehicle and parts dealers, furniture, electronics and appliances, building materials, food and beverage, clothing, sporting goods, books, and office supplies. In 2017, total retail trade jobs numbered 4,203. Between 2007 and 2017, the number of retail trade jobs in the City increased by 18.6%.

Jobs in the professional and management sector include those employed in professional and technical services, management of companies, and administration and support. In 2017, the total number of professional and management sector jobs numbered 1,201. Between 2007 and 2017, the number of professional and management jobs in the City increased by 5.6%.

Additional information on the workforce concerns their commuting patterns. City Table 3 shows the top 10 places where residents commute to work. Approximately 7% of all workers who live in the City also work in South Gate. One of every four residents' commutes to Los Angeles to work.

**City Table 3
City of South Gate
Top 10 Places Where Residents Commute to Work: 2016**

| Rank | Local Jurisdiction | Number of Commuters | Percent of Total Commuters |
|------------------------|--------------------|---------------------|----------------------------|
| 1 | Los Angeles | 8,064 | 25.8% |
| 2 | South Gate | 2,067 | 6.6% |
| 3 | Long Beach | 1,167 | 3.7% |
| 4 | Vernon | 1,126 | 3.6% |
| 5 | Commerce | 798 | 2.6% |
| 6 | Santa Fe Springs | 794 | 2.5% |
| 7 | Downey | 750 | 2.4% |
| 8 | Carson | 675 | 2.2% |
| 9 | Torrance | 576 | 1.8% |
| 10 | Lynwood | 495 | 1.6% |
| All Other Destinations | | 14,700 | 47.2% |

Source: Southern California Association of Governments, Profile of the City of South Gate, May 2019, page 21 and U.S. Census Bureau, 2019, LODES Data; Longitudinal-Employer Household Dynamics Program, <https://lehd.ces.census.gov/data/lodes/>

Describe the workforce and infrastructure needs of the business community:

According to the ACS, South Gate's unemployment rate was almost 14% in 2015 (Table 40). Currently, the State Employment Development Department (EDD) reported that 43,600 South Gate residents were in the labor force with 41,500 residents employed. The City's unemployment rate – as of October 2018 – was 4.8%.

Few residents are employed in farming, fishing, and forestry occupations (Table 41). The largest number and percentage of residents have sales and office occupations. Most workers (51%) have jobs located within 30 minutes of their South Gate home. (Table 42). About 34% of the employed labor force have obtained some college, an Associate's degree, or Bachelor's degree. The majority (66%) of the employed labor force have a high school education or less (Table 43)

Describe any major changes that may have an economic impact, such as planned local or regional public or private sector investments or initiatives that have affected or may affect job and business growth opportunities during the planning period. Describe any needs for workforce development, business support or infrastructure these changes may create.

South Gate is a member jurisdiction of the Southern California Association of Governments (SCAG). According to SCAG:

Overall, member jurisdictions since 2000 have been impacted by a variety of factors at the national, regional, and local levels. For example, most member jurisdictions included in the 2017 Local Profiles reflect national demographic trends toward an older and more diverse population. Evidence of continued progress toward economic recovery is also apparent through gradual increases in employment, retail sales, building permits, and home prices. Work destinations and commute times correlate with regional development patterns and the geographical location of local jurisdictions, particularly in relation to the regional transportation system.

The Los Angeles County Economic Development Corporation (LAEDC) projects that most industries located in Los Angeles County will add jobs over the next five years. According to the LAEDC:

The strongest job growth will be in population serving service-oriented industries that will continue to serve the growing population in Los Angeles County.

The City of South Gate's commitment to economic development includes attracting, retaining, and expanding the City's business community to support job creation; stimulate an economy that grows the local tax base; and securing a competitive business climate. The City works in partnership with its business organizations such as the South Gate Chamber of Commerce, facilitating access to business incentives and programs.

The major business corridors/areas include:

- Historic Tweedy Mile Corridor
- Firestone Boulevard Corridor
- Hollydale Corridors
- El Paseo
- The Azalea Shopping Center

Examples of recent economic development include the Atlantic Avenue Commercial Center; AltaMed, a 2-story medical facility; The Crossroads at Firestone Boulevard Shopping Center; and the Calden Court Apartments, an affordable 216 multi-family housing development.

How do the skills and education of the current workforce correspond to employment opportunities in the jurisdiction?

Jobs located within South Gate match well with the skills and education of the local workforce. Business sectors offering the jobs that may not require a high school graduation include retail trade, accommodation and food services, other services, manufacturing, and warehousing. Workers with less than a high school education would benefit from training so they could compete for better paying jobs. The median annual income earnings of workers with less than a high school education is less than \$21,000 (Table 45).

HUB Cities One-Stop Career Center (HCCC), based in Huntington Park, was founded in 1988 as the primary public job training and placement center for residents of the cities of Huntington Park, South Gate, Lynwood, Cudahy, Maywood, and Bell Gardens.

While HCCC has many one-stop counterparts in LA County, none have quite the same set of challenges faced by this organization and the cities in the immediate area. The population density of HUB Cities area is 15,512 persons per square mile, which is approximately 637% more dense than the Los Angeles County average and well over 7,000% that of the State of California. HCCC's population is younger than in LA County or California, with 43% being younger than 20 years of age. In contrast, the population of those less than 24 years of age in LA County and the State of California are just 35% and 35.9% respectively. According to the HUB Cities, one contributing factor and area of concern is the fact that one in seven young women in the region will give birth before turning 20.

Among the most severe challenges facing HUB Cities' local communities is the overall low level of educational attainment. The attrition rate for high school students in the high school district ranges from 54% to 36%.

Reflecting on population's low educational attainment levels, the per capita income of the area is just \$9,140. The income levels are 65% lower than the average in Los Angeles County and 68% lower than the State of California. According to the HUB Cities improvements to the area's per capita income cannot be expected until the level of educational attainment improves significantly

Describe any current workforce training initiatives, including those supported by Workforce Investment Boards, community colleges and other organizations. Describe how these efforts will support the jurisdiction's Consolidated Plan.

The Hub Cities WorkSource Center is made possible through funding and support from a variety of partners. All services are provided to employers and job seekers at no cost through the Federal Workforce Innovation Opportunity Act (WIOA). HUB Cities is located approximately 2.6 miles from South Gate's City Hall. HUB Cities offers several job seeker services including training assistance, referrals to ESL programs, services for veterans, and assistive devices for individuals with disabilities.

Funds for economic development are limited and with so many reductions, the City will be hard pressed to fund economic development activities in the future. However, City officials and staff will continue to work with private and other public partners to assist in the retention and expansion of local businesses with the objective of increasing average incomes with particular emphasis on expansion of a sustainable local economy.

Does your jurisdiction participate in a Comprehensive Economic Development Strategy (CEDS)?

No

If so, what economic development initiatives are you undertaking that may be coordinated with the Consolidated Plan? If not, describe other local/regional plans or initiatives that impact economic growth.

Not applicable to the City of South Gate.

A Planning Organization seeking to formulate and implement a regional economic development program will benefit from developing a CEDS. Successful economic development efforts are based on CEDS that provide an economic roadmap to diversify and strengthen regional economies. The Public Works and Economic Development Act of 1965, as amended (PWEDA), requires a CEDS to apply for investment assistance under EDA's Public Works or Economic Adjustment Assistance Programs. At EDA's discretion, EDA may accept CEDS that it has funded or CEDS prepared independently of EDA investment assistance or oversight.

The City of South Gate has not independently prepared a CEDS and does not participate in a Comprehensive Economic Development Strategy (CEDS).

During this Consolidated Plan period, South Gate will continue to assess and coordinate economic development initiatives in partnership with local workforce boards to implement local or regional economic initiatives.

Discussion

Refer to the analysis in the preceding paragraphs.

MA-50 Needs and Market Analysis Discussion

Are there areas where households with multiple housing problems are concentrated? (include a definition of "concentration")

The geographic distribution of housing problems mirrors that of the low-and moderate-income population. Housing problems impacting lower income households such as cost burden and crowding are not geographically concentrated.

Housing quality problems are correlated with the age of housing. As noted above, the City has an older housing stock. There are no census tract areas where the "youthful" housing stock predominates. Therefore, housing quality problems are not concentrated in certain areas or neighborhoods.

Housing cost-burden is the most common housing problem adversely impacting owners and renters alike. This type of housing problem is prevalent throughout the City and is not necessarily concentrated in a few neighborhoods.

Are there any areas in the jurisdiction where racial or ethnic minorities or low-income families are concentrated? (include a definition of "concentration")

A concentration is defined by HUD when a minority percentage exceeds the citywide percentage by 10%. Because, in South Gate, minority residents comprise 97% of the City's population there is no area or neighborhood concentration. City Table 4 shows the number of persons residing in each census tract by race and ethnicity.

Almost 68% of South Gate's population have low/moderate incomes (<80% AMI). Nine of the City's 57 block groups have a low/mod income population that comprises less than 50% of the population. Therefore, most South Gate's residents live in 48 block groups that have most of the low/mod income population. For details, refer to City Table 5.

**City Table 4
City of South Gate
Minority population by Census Tract**

| Census Tract | White alone | Hispanic or Latino (of any race) | Black or African American alone | American Indian and Alaska Native alone | Asian alone | Native Hawaiian and Other Pacific Islander alone | Some other race alone | Two or more races | Total | Percent Minority |
|----------------|--------------|----------------------------------|---------------------------------|---|-------------|--|-----------------------|-------------------|---------------|------------------|
| 5355.01 | 54 | 3,876 | 5 | 0 | 4 | 5 | 0 | 5 | 3,949 | 98.6% |
| 5355.02 | 118 | 5,012 | 45 | 0 | 27 | 0 | 0 | 0 | 5,202 | 97.7% |
| 5355.03 | 26 | 2,339 | 0 | 12 | 0 | 0 | 0 | 16 | 2,393 | 98.9% |
| 5356.03 | 13 | 3,511 | 62 | 0 | 7 | 0 | 0 | 0 | 3,593 | 99.6% |
| 5356.04 | 26 | 4,326 | 0 | 0 | 0 | 0 | 0 | 0 | 4,352 | 99.4% |
| 5356.05 | 25 | 4,589 | 0 | 0 | 40 | 0 | 0 | 0 | 4,654 | 99.5% |
| 5356.06 | 62 | 2,006 | 14 | 0 | 0 | 6 | 0 | 18 | 2,106 | 97.1% |
| 5356.07 | 50 | 4,994 | 31 | 0 | 0 | 0 | 0 | 0 | 5,075 | 99.0% |
| 5357.01 | 50 | 5,593 | 0 | 0 | 99 | 0 | 0 | 7 | 5,749 | 99.1% |
| 5357.02 | 286 | 4,448 | 0 | 0 | 0 | 0 | 0 | 29 | 4,763 | 94.0% |
| 5358.02 | 347 | 6,172 | 0 | 0 | 0 | 13 | 0 | 25 | 6,557 | 94.7% |
| 5358.03 | 40 | 4,405 | 0 | 0 | 9 | 0 | 22 | 0 | 4,476 | 99.1% |
| 5358.04 | 139 | 5,458 | 34 | 0 | 0 | 0 | 0 | 0 | 5,631 | 97.5% |
| 5359.01 | 51 | 5,673 | 10 | 0 | 0 | 0 | 0 | 0 | 5,734 | 99.1% |
| 5359.02 | 309 | 6,684 | 0 | 0 | 40 | 0 | 0 | 21 | 7,054 | 95.6% |
| 5360 | 49 | 3,724 | 13 | 24 | 12 | 0 | 0 | 0 | 3,822 | 98.7% |
| 5361.02 | 730 | 2,641 | 17 | 0 | 14 | 9 | 0 | 8 | 3,419 | 78.6% |
| 5361.03 | 117 | 5,434 | 7 | 0 | 18 | 0 | 0 | 34 | 5,610 | 97.9% |
| 5361.04 | 79 | 3,818 | 131 | 0 | 18 | 53 | 3 | 20 | 4,122 | 98.1% |
| 5362 | 462 | 6,181 | 206 | 0 | 267 | 43 | 0 | 0 | 7,159 | 93.5% |
| Total | 3,033 | 90,884 | 575 | 36 | 555 | 129 | 25 | 183 | 95,420 | 96.8% |
| Percent | 3.2% | 95.2% | 0.6% | 0.0% | 0.6% | 0.1% | 0.0% | 0.2% | 100.0% | |

Source: American FactFinder 2013-2017 American Community Survey, Table DP05 ACS Demographic and Housing Estimates

City Table 5
City of South Gate
Percent Low/Moderate Income Population
By Census Tract and Block Group: 2010

| Census Tract | Block Group | Number Low/Mod | Low/Mod Universe | Percent Low/Mod |
|--------------|-------------|----------------|------------------|-----------------|
| 5355.01 | 1 | 1,800 | 2,015 | 89.3% |
| 5355.01 | 2 | 1,175 | 1,545 | 76.1% |
| 5355.02 | 1 | 1,495 | 2,390 | 62.6% |
| 5355.02 | 2 | 2,320 | 3,050 | 76.1% |
| 5355.03 | 1 | 1,730 | 2,230 | 77.6% |
| 5356.03 | 1 | 1,370 | 1,805 | 75.9% |
| 5356.03 | 2 | 1,465 | 2,010 | 72.9% |
| 5356.04 | 1 | 1,645 | 1,815 | 90.6% |
| 5356.04 | 2 | 1,380 | 2,255 | 61.2% |
| 5356.05 | 1 | 1,875 | 2,480 | 75.6% |
| 5356.05 | 2 | 1,325 | 1,730 | 76.6% |
| 5356.06 | 1 | 1,455 | 2,065 | 70.5% |
| 5356.07 | 1 | 1,165 | 1,545 | 75.4% |
| 5356.07 | 2 | 870 | 1,075 | 80.9% |
| 5356.07 | 3 | 510 | 825 | 61.8% |
| 5356.07 | 4 | 625 | 715 | 87.4% |
| 5357.01 | 1 | 1,275 | 1,940 | 65.7% |
| 5357.01 | 2 | 1,300 | 2,050 | 63.4% |
| 5357.01 | 3 | 1,585 | 2,355 | 67.3% |
| 5357.02 | 1 | 1,205 | 1,340 | 89.9% |
| 5357.02 | 2 | 1,125 | 1,445 | 77.9% |
| 5357.02 | 3 | 630 | 1,020 | 61.8% |
| 5357.02 | 4 | 1,275 | 1,490 | 85.6% |
| 5358.02 | 1 | 1,505 | 1,870 | 80.5% |
| 5358.02 | 2 | 615 | 1,360 | 45.2% |
| 5358.02 | 3 | 1,115 | 1,420 | 78.5% |
| 5358.02 | 4 | 1,695 | 2,215 | 76.5% |
| 5358.03 | 1 | 1,335 | 1,620 | 82.4% |
| 5358.03 | 2 | 1,415 | 1,725 | 82.0% |
| 5358.03 | 3 | 875 | 975 | 89.7% |
| 5358.04 | 1 | 1,555 | 2,625 | 59.2% |
| 5358.04 | 2 | 2,055 | 2,650 | 77.5% |
| 5359.01 | 1 | 635 | 1,275 | 49.8% |
| 5359.01 | 2 | 845 | 1,640 | 51.5% |
| 5359.01 | 3 | 935 | 1,410 | 66.3% |
| 5359.01 | 4 | 1,265 | 1,765 | 71.7% |
| 5359.02 | 1 | 1,200 | 1,530 | 78.4% |

**City Table 5-continued
City of South Gate
Percent Low/Moderate Income Population
By Census Tract and Block Group: 2010**

| Census Tract | Block Group | Number Low/Mod | Low/Mod Universe | Percent Low/Mod |
|---------------------|--------------------|-----------------------|-------------------------|------------------------|
| 5359.02 | 1 | 940 | 1500 | 62.67% |
| 5359.02 | 2 | 580 | 1,575 | 36.83% |
| 5359.02 | 3 | 750 | 2,410 | 31.12% |
| 5359.02 | 4 | 1,140 | 2,340 | 48.72% |
| 5360 | 1 | 650 | 880 | 73.86% |
| 5360 | 2 | 2,095 | 3,045 | 68.80% |
| 5361.02 | 1 | 750 | 1,355 | 55.35% |
| 5361.02 | 2 | 335 | 710 | 47.18% |
| 5361.02 | 3 | 800 | 1240 | 64.52% |
| 5361.03 | 1 | 1095 | 1245 | 87.95% |
| 5361.03 | 2 | 930 | 2,085 | 44.60% |
| 5361.03 | 3 | 1,240 | 2,050 | 60.49% |
| 5361.04 | 1 | 1070 | 1,200 | 89.17% |
| 5361.04 | 2 | 550 | 1,220 | 45.08% |
| 5361.04 | 3 | 970 | 1300 | 74.62% |
| 5361.04 | 4 | 210 | 480 | 43.75% |
| 5362 | 1 | 1,125 | 2,035 | 55.28% |
| 5362 | 2 | 895 | 1,790 | 50.00% |
| 5362 | 3 | 560 | 880 | 63.64% |
| 5362 | 4 | 1075 | 1550 | 69.35% |
| 5362 | 5 | 1040 | 1,345 | 77.32% |

U.S. Department of Housing and Urban Development, *FY 2018 LMISD Local Governments by State, Based on 2011-2015 American Community Survey*

What are the characteristics of the market in these areas/neighborhoods?

There are no concentrations areas or neighborhoods. Therefore, indicators of the characteristics (e.g., prices, rents, foreclosures) can be based on conditions in the City as a whole.

According to SCAG, between 2000 and 2018, the median home sales price of existing homes increased 190% from \$150,000 to \$435,000. The median home sales price increased by 81.3% between 2010 and 2018. In 2018, the median home sales price in the City was \$435,000, \$162,000 lower than that in the county overall. Median home sales price reflects resale of existing homes, which varies due to type of units sold. Between 2000 and 2018, the largest single year increase was 32%.

SCAG data indicates that housing costs accounted for an average of 35.1% of total household income for renters. Housing costs accounted for an average of 28.1% of total household income for homeowners.

There were 12 foreclosures in 2018. Many more neighborhoods of the City were adversely impacted by foreclosures in the past. SCAG data indicates that between 2007 and 2018 there were 1,262 foreclosures.

Source: Southern California Association of Governments, *Profile of the City of South Gate*, May 2019, pages 15-17

Are there any community assets in these areas/neighborhoods?

There are several community assets in these areas/neighborhoods, including two Libraries, Senior Center, Farmers Market, and City Hall. Additionally, South Gate Park, a regional park centrally located within the City, is perhaps the single most important asset serving over 5,000 visitors daily. South Gate Park covers a total of 96.8 acres and includes six different facilities (e.g., golf course, Sports Center, etc.)

Are there other strategic opportunities in any of these areas?

During the 2020-2025 Consolidated Plan period, the City will continue to encourage funding alternatives to increase strategic opportunities in low-and moderate-income areas including the development of a new 7 acre park.

MA-60 Broadband Needs of Housing occupied by Low- and Moderate-Income Households - 91.210(a)(4), 91.310(a)(2)

Describe the need for broadband wiring and connections for households, including low- and moderate-income households and neighborhoods.

Pursuant to the Consolidated Plan regulations, during the process of developing the Consolidated Plan the City's consultation process included gathering information on broadband internet service providers, organizations engaged in narrowing the digital divide, agencies whose primary responsibilities include the management of flood prone areas, public land or water resources, and emergency management agencies.

Broadband Internet Service Providers/Organization Engaged in Narrowing the Digital Divide

Dozens of internet service providers make coverage available in South Gate.

High-speed fiber internet is available in some South Gate neighborhoods through Frontier Fios. This ISP's service map runs from the City center to Garfield Avenue in the east.

AT&T is available primarily in the far western and eastern parts of South Gate. Covered neighborhoods include Nebraska Avenue, Tweedy Boulevard, and Hollydale.

Cable service is provided by Time Warner Spectrum in many parts of South Gate. The central part of the City falls outside the service area.

Cable service is also available through Charter in a handful of neighborhoods. Through Charter, service is available in San Vincent, Firestone, and Adella.

Those living in the western half of South Gate enjoy consistent internet service through Sonic.net.

Another popular option in South Gate is New Edge Networks, which covers much of the City within its service area.

A summary is provided below:

| Provider | Type | Download Speeds Up To |
|-------------------|-----------------------|-----------------------|
| AT&T | DSL & Fiber | 100 Mbps |
| Spectrum | Cable | 100 Mbps |
| Viasat | Satellite | 25 Mbps |
| New Edge Networks | Other Copper Wireline | 2 Mbps |
| Sonic.net | DSL | 25 Mbps |

According to Stanford University, the "digital divide" refers to the growing gap between the underprivileged members of society, especially the poor, rural, elderly, and handicapped portion of the

population who do not have access to computers or the internet; and the wealthy, middle-class, and young Americans living in urban and suburban areas who do have access.

Stanford University has described the following governmental initiatives:

- The Schools and Libraries Division of the Universal Service Administrative Company (USAC)

Enables schools, libraries, and rural health care providers - that could normally not afford them - with network wiring and access to both telecommunications and Internet services. Otherwise known as the "E-rate" program, requires telecommunications companies to provide services to those eligible at rates discounted from 20% to 90%. The highest priority and discounts are given to the most economically or geographically disadvantaged schools and libraries, based on the household incomes of student's families. Congress and the FCC approved \$2.25 billion in annual funding. In the first year of funding, the program helped connect 80,000 schools and 38 million children.
- The Community Technology Center's Program sponsored by the U.S. Department of Education

Promotes the development of programs aimed at increasing and demonstrating the value of technology in "urban and rural areas and economically distressed communities." The program awards three-year grants on a competitive basis to fund Community Technology Centers.
- The Neighborhood Networks Program sponsored by the U.S. Department of Housing and Urban Development (HUD)

As a community-based initiative, encourages the development of resource and computer learning centers in privately owned HUD-assisted and HUD-insured housing to make technology more accessible. Each community independently plans, manages, and funds their Neighborhood Networks center, but HUD often provides grants, loans, and volunteer service. The centers mainly offer computer access, computer assistance and training, GED certification, health and social services. The program currently contains 608 active centers and plans on establishing 705 more with the help of business and community partners.

South Gate's libraries offer a Digital Library that provides online learning, e-books, video classes, etc.

MA-65 Hazard Mitigation - 91.210(a)(5), 91.310(a)(3)

Describe the jurisdiction's increased natural hazard risks associated with climate change.

Management of Flood Prone Areas

The flood prone areas within the City have been mapped by the County of Los Angeles and the Federal Emergency Management Agency (FEMA).

Flood events occur whenever water covers what is normally considered dry land. They often occur during heavy precipitation events, when the amount of rainwater exceeds storm drains or flood control channel capacity. The force of a flood is sufficient to carry away large objects and smash them into structures, causing considerable damage to buildings and infrastructure. In severe instances, floodwaters themselves can destroy structures or move them off their foundation. Floods can saturate and weaken soil, potentially making structures built on them more susceptible to damage or collapse. FEMA has identified elevated risk of flooding in the eastern portion of the community near the Los Angeles River and the Rio Hondo drainage channel.

Areas of the City east of Jackson Avenue and Burke Avenue are within the 500-year floodplain, meaning that there is a 0.2% chance (one in 500) that the area will be subjected to flooding in any given year. Overall, nearly half of the community is located within the 500-year flood zone. The only parts of South Gate within the 100-year floodplain are the Los Angeles River and the Rio Hondo drainage channel itself, although there is land in northeastern Lynwood (immediately south of South Gate) in the 100-year floodplain. Areas within the 100-year floodplain have a 1% chance (one in 100) of flood occurring in any given year.

The Los Angeles River and Rio Hondo Channel represent the primary flood risk for the City of South Gate. During a flood in 1980, the lower Los Angeles River reached its flood control capacity and the U.S. Army Corps of Engineers determined that portions of the system provided less than a 40-year level of flood protection, far below the minimum federal standard for flood control channels of 100 years. The Los Angeles County Drainage Area (LACDA) Project, completed in 2001 and administered by the Los Angeles County Department of Public Works, was a response to this flooding danger. The project raised the height of 21 miles of levee along the Los Angeles River from the Southern Pacific Railroad to the confluence with the Rio Hondo, and along the Rio Hondo Channel from the confluence with the Los Angeles River to just downstream of the Whittier Narrows Dam.

The LACDA provided 133-year storm flood protection in the areas in which it was installed, including through the City of South Gate. As a result, National Flood Insurance Program (NFIP) river and flood hazard insurance is no longer required anywhere within South Gate City limits. This is demonstrated in the LACDA Overflow Map, which identifies areas in Los Angeles County where flood insurance is mandatory and shows South Gate outside of these areas. The recreational benefits from the LACDA included improvements to equestrian and bicycle trails, installation of rest stops, and landscaping. Because the City's elevation is around 115 feet there is little to no risk of tsunamis, which rarely rise more than 40 feet above sea level before hitting land.

Emergency Management Agencies

Regional agencies and partnerships play an important role in emergency response in South Gate. Los Angeles County facilitates and manages key emergency response efforts in the community.

The Los Angeles County Office of Emergency Management is responsible for maintenance of the County Emergency Operations Center. The center serves as a first responder for disaster events in the county, including incorporated cities. The County is also responsible for activating other emergency operation centers throughout the county, as needed, depending on the type or location of disastrous event.

The City of South Gate does have a designated emergency operations center, which is located within the South Gate Police Department. In the event of an emergency, Los Angeles County implements Alert LA County, an emergency mass notification system to contact County residents and businesses. The system sends text messages, voice mail messages, and e-mail messages to alert the community of emergency events. The responsibility for emergency notification services throughout the county is held by the County Office of the Sheriff. This Office also has responsibility to issue calls for evacuation. If emergency shelters are necessary, the County Department of Public Social Services is responsible for the activation and coordination of shelters with jurisdictions throughout the county.

Emergency response services are available to all neighborhoods, including the City's low- and moderate-income neighborhoods.

Land or Water Resources

South Gate is an entirely urbanized area. Plants and trees are limited to parks, streetscaping, some riparian zones around the Los Angeles River and Rio Hondo Channel, and private yards and gardens. There are no known threatened or endangered species and very sparse wildlife, though migratory or native birds may be found in natural areas such as South Gate Park or areas around the Los Angeles River.

Many of the City's best opportunities for greening the City involve preserving and enhancing existing spaces, and in some cases rehabilitating or converting them back to biologically active areas. Improving parks and open space, enhancing the Rio Hondo Channel and Los Angeles River, and streetscape improvements are the major policy goals that can achieve this. Improving the "urban forest" - the network of trees throughout the City - is another important opportunity to enhance the City's biological resources.

Strategic Plan

SP-05 Overview

Strategic Plan Overview

The Strategic Plan describes how the City will continue to maintain compliance in managing its federal grant funds received by addressing market conditions, geographic distribution of needs and priorities, the resources expected to be available to meet community needs, the structure in place for delivering services, goals, barriers to meeting the goals, and how those barriers may be overcome. The Strategic Plan also includes a discussion of public housing, homelessness and lead-based paint and describes the City's anti-poverty initiatives and its plans to monitor performance and compliance.

For 2020-2025, the City and the Citizen Advisory Committee (CAC) developed major goals, objectives, and implementation strategies. The City's 5-year Strategic Plan is focused on goals to provide public services for low- to moderate-income youth, seniors, those with special needs and the low-income population in general. Typically supported services include educational programs, food and nutrition programs, health care, enrichment programs, and activities for youth and seniors, and similar services.

Another high priority of the Strategic Plan is improving South Gate's infrastructure in neighborhoods where the highest percentage of low- to moderate-income people reside. Expected projects during the five-year period includes improvements to sidewalks and crosswalks, improvements to parks and open space projects, and other similar public improvements.

The City and the CAC will continue to identify and discuss emerging needs in the City of South Gate. New and alternative approaches to meeting these needs within the established goals and objectives will be considered.

SP-10 Geographic Priorities – 91.215 (a)(1)

Geographic Area

Table 29 - Geographic Priority Areas

| | | |
|----------|---|----------|
| 1 | Area Name: | Citywide |
| | Area Type: | Other |
| | Other Target Area Description: | Other |
| | HUD Approval Date: | |
| | % of Low/ Mod: | |
| | Revitalization Type: | |
| | Other Revitalization Description: | |
| | Identify the neighborhood boundaries for this target area. | |
| | Include specific housing and commercial characteristics of this target area. | |

| | |
|--|--|
| How did your consultation and citizen participation process help you to identify this neighborhood as a target area? | |
| Identify the needs in this target area. | |
| What are the opportunities for improvement in this target area? | |
| Are there barriers to improvement in this target area? | |

General Allocation Priorities

Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA)

HUD encourages grantees, here appropriate, to identify locally designated areas where geographically targeted revitalization efforts are carried out through multiple activities in a concentrated and coordinated manner. For the purpose of the Consolidated Plan, local target areas are loosely defined and do not need to conform to a set of specific standards.

The City will seek to disburse federal entitlement dollars strategically within low-and moderate-income (LMI) census tracts; however, no specific neighborhoods are targeted for expenditure of funds. Investments in public facilities and services serving special needs populations and primarily low- and moderate-income persons will be made throughout the City. The City will evaluate each eligible project and program based on urgency of needs, availability of other funding sources and financial feasibility. Residential rehabilitation assistance will be available to income-qualified households citywide.

SP-25 Priority Needs - 91.215(a)(2)

Priority Needs

The Consolidated Plan indicates the general priorities for allocating investment of available resources among different needs. Priority needs are those that *will be addressed* by the goals outlined in the

Strategic Plan. HUD has not issued guidance on how to structure the priority need information. Grantees may choose to organize their priority needs according to the structure presented in the regulations at 24 CFR 91.215:

Affordable Housing

- ✓ Rental assistance
- ✓ Production of new units
- ✓ Rehabilitation of existing units
- ✓ Acquisition of existing units

Homelessness

- ✓ Outreach
- ✓ Emergency shelter and transitional housing
- ✓ Rapid Re-housing
- ✓ Prevention

Non-housing Community Development

- ✓ Public Facilities
- ✓ Public Improvements and Infrastructure
- ✓ Public Services
 - Including mental health support, domestic violence prevention, substance abuse services
- ✓ Economic Development
 - Including small business support and retention

Although there is no prescribed format for organizing the priority needs, for each priority need, the City must assign a priority level of “low” or “high.” The priority level simply indicates relative preference among the needs listed. HUD has stated that jurisdictions have the option of using the narrative sections to elaborate on the meaning of “low” and “high.” For example, a jurisdiction may state that it plans on using available resources described in the plan to address “high” priorities and expects other funding sources or community stakeholders to address “low” priorities. For the City of South Gate Consolidated Plan, a High Priority means one that will be fund by CDBG or HOME funds. All Priority Needs described in the Priority Needs Summary have been assigned a High Priority.

The City also can indicate one or more populations to be served according to income, family type, homeless population, and special need.

Table 47 – Priority Needs Summary

| | | |
|---|------------------------------------|---|
| 1 | Priority Need Name | Preserve the supply of affordable housing |
| | Priority Level | High |
| | Population | Extremely Low Low Moderate Large Families Families with Children Elderly Frail Elderly Persons with Physical Disabilities Persons with Developmental Disabilities |
| | Geographic Areas Affected | Other |
| | Associated Goals | Housing |
| | Description | <p>The age and condition of South Gate’s housing stock is an important indicator of potential rehabilitation needs. The <i>2014-2021 Housing Element</i> states that “housing rehabilitation is a priority need for the community.” Furthermore, the Housing Element estimates that 6,000 housing units need substantial rehabilitation.</p> <p>Commonly, housing over 30 years of age needs some form of major rehabilitation, such as roof replacement, foundation work and plumbing systems. Housing over 15 years of age will generally exhibit deficiencies in terms of paint, weatherization, heating / air conditioning systems, hot water heaters and finish plumbing fixtures.</p> <p>Low income homeowners generally are not in a financial position to properly maintain and rehabilitation their homes.</p> |
| | Basis for Relative Priority | Preservation of the physical and functional integrity of existing housing units occupied by low income households is a cost-effective way to invest limited resources to retain existing housing units that are already affordable to low-and moderate-income households in the community. Addressing substandard housing conditions through housing preservation activities provide that all economic segments of the community have the means to ensure that their property meets local standards and that all South Gate residents have the opportunity to live in decent housing. Housing preservation is rated as a high priority need based on the demand for service reported by the City's Residential Rehabilitation Program staff. |
| 2 | Priority Need Name | Ensure equal access to housing opportunities |
| | Priority Level | High |

| | | |
|----------|------------------------------------|--|
| | Population | Extremely Low Low Moderate Middle Large Families Families with Children Elderly Public Housing Residents Frail Elderly Persons with Mental Disabilities Persons with Physical Disabilities Persons with Developmental Disabilities Persons with HIV/AIDS and their Families |
| | Geographic Areas Affected | Other |
| | Associated Goals | Fair Housing |
| | Description | HUD mandates that all recipients of federal housing and community development assistance such as CDBG and HOME take actions to affirmatively further fair housing choice within their communities. The City of South Gate will certify its compliance with HUD's requirement to affirmatively further fair housing choice in each Annual Action Plan requesting an annual allocation of CDBG and HOME funds. |
| | Basis for Relative Priority | The City's <i>2020-2025 Analysis of Impediments to Fair Housing Choice</i> indicates that from August 2010, through August 2019, the Fair Housing Foundation (FHF) received 12 complaints from within the City of South Gate. Seven of the twelve complaints claimed to be based on their familial status. Four other complaints were based on national origin. Affirmatively furthering fair housing choice by ensuring equal access to housing opportunities is a high priority for HUD and the City of South Gate. In accordance with HUD requirements, this priority will be addressed using CDBG funds. |
| 3 | Priority Need Name | Provide public services for low income residents |
| | Priority Level | High |
| | Population | Extremely Low Low Moderate |
| | Geographic Areas Affected | Other |
| | Associated Goals | Public Services |
| | Description | The City will provide funding to improve access to public services for low- and moderate-income persons. |

| | | |
|---|------------------------------------|--|
| | Basis for Relative Priority | Indicators of the need for public services funding are: 67% of the population have low/moderate incomes, 19.6% have incomes below the poverty level, 19.4% are without health insurance, 14.8% have used food stamps/SNAP benefits in the past year, and 5.7% rely on cash public assistance. Consistent with the results of the Community Needs Survey, the provision of a wide range of public services for low-and moderate-income residents is a high priority. |
| 4 | Priority Need Name | Infrastructure and Public Facilities |
| | Priority Level | High |
| | Population | Extremely Low Low Moderate Non-housing Community Development |
| | Geographic Areas Affected | Other |
| | Associated Goals | Infrastructure and Public Facility Code Enforcement |
| | Description | In consultation with the City of South Gate Public Works Department, Parks and Recreation, and Community Development Department, a high level of need exists within the CDBG areas for activities such as graffiti removal, code compliance, public facilities improvements (including ADA improvements) and infrastructure improvements. |
| | Basis for Relative Priority | Based on need and available resources and results of the Community Needs Survey, the improvement of neighborhoods, public facilities and infrastructure is rated as a high priority need for CDBG funds. |
| 5 | Priority Need Name | Planning and Administration |
| | Priority Level | High |
| | Population | Extremely Low Low Moderate |
| | Geographic Areas Affected | Other |
| | Associated Goals | Administration |
| | Description | The City will reserve no more than 20% of its annual CDBG allocation to Planning, Administration, and Fair Housing. The City will provide funding to the Fair Housing Foundation to administer a fair housing complaint intake, enforcement, education, and outreach program annually. The City will reserve no more than 20% of its annual HOME allocation to Planning and Administration. |
| | Basis for Relative Priority | The assignment of priority levels is primarily a result of input from public and private agencies responding to the City's Community Needs Survey, consultation interviews, and statistical data compiled from the Needs Assessment. |

| | | |
|---|------------------------------------|---|
| 6 | Priority Need Name | Commercial Rehabilitation |
| | Priority Level | High |
| | Population | Extremely Low Low Moderate Non-housing Community Development |
| | Geographic Areas Affected | Other |
| | Associated Goals | Commercial Rehabilitation |
| | Description | The City will provide financial assistance for the rehabilitation of commercial facade improvements. |
| | Basis for Relative Priority | The South Gate General Plan 2035 determined that “major corridors in the City- including Long Beach , Firestone Boulevard, California, Imperial, and Atlantic – are visually unattractive and do not contribute to the overall appearance and identity of the City.” Additionally, the General Plan stated: “Some of the buildings suffer from lack of upkeep or are in disrepair.” The City will provide financial assistance for the rehabilitation of commercial facade improvements. |
| 7 | Priority Need Name | Business Assistance Program |
| | Priority Level | High |
| | Population | Extremely Low Low Moderate |
| | Geographic Areas Affected | Citywide |
| | Associated Goals | Job Creation and Retention Business Assistance |
| | Description | The City will provide funds to assist businesses servicing LMA areas and for the creation and retention of jobs employing eligible LMI persons. |
| | Basis for Relative Priority | This program allows businesses to continue to provide services to LMA areas and to retain and create jobs to impact the local economy positively. |

Narrative (Optional)

The Needs Assessment describes four categories of need: housing, homelessness, supportive housing and non-housing community development (public facilities, public improvements, and public services).

Priority needs refer to those that will be addressed by the goals outlined in the Strategic Plan.

- *High Priority* means that CDBG and HOME funds will be allocated to address that need.

- *Low Priority* means that funding may be allocated if funds from other sources become available

SP-30 Influence of Market Conditions – 91.215 (b)

Influence of Market Conditions

| Affordable Housing Type | Market Characteristics that will influence the use of funds available for housing type |
|---------------------------------------|--|
| Tenant Based Rental Assistance (TBRA) | Median monthly rents are generally about the same as the Fair Market Rents (FMRS). However, rental assistance through monthly subsidies is expensive. TBRA is not a program that will be funded by HOME due to its expense and the fact that it would seriously reduce funds for other activities that could be funded by the HOME program. Instead, the City will rely on the rental assistance provided by the South Gate Housing Authority. |
| TBRA for Non-Homeless Special Needs | TBRA for non-homeless special populations also will not be funded for the reasons mentioned above. The gap between 30% of income and market rents is too large and, if the City chose to provide TBRA with HOME funds, other pressing needs such as improving the quality of existing housing would become neglected. |
| New Unit Production | The production of new affordable housing is constrained by limited land availability, the high cost of residential land, high development costs, fees, and construction standards and requirements. Consequently, funds in addition to HOME are needed to facilitate new unit production. The City will continue to explore funding opportunities with non-profit and private developers of affordable housing. |
| Rehabilitation | South Gate’s housing stock is older, and many homes are in need of minor, modest, and major repairs. Because of this market condition and homeowner acceptance, the City plans to continue to use HOME and CDBG funds on improving the quality of the existing housing stock. |
| Acquisition, including preservation | CDBG and HOME funds can be used as gap financing based on costs and resources, targeting different income levels within the community. The City may consider using CDBG and HOME for Acquisition, including preservation. This latter strategy is especially important because South Gate has a very limited supply of vacant land. |

Table 48 – Influence of Market Conditions

SP-35 Anticipated Resources - 91.215(a)(4), 91.220(c)(1,2)

Introduction

The following table outlines the anticipated resources to include CDBG and HOME that the City anticipates having available during the 2020-2025 period covered by this Consolidated Plan. It is followed by narratives about other resources these funds will leverage.

The City anticipates that over the course of the Strategic Plan it will have CDBG and HOME funds available for use. Along with these federal entitlements, the City may elect to utilize Section 108, Low-Income Housing Tax Credits, and the State of California's housing programs to support housing development, such as CalHome. Other resources that may be used include City General Fund as well as program income. One of the main obstacles to meeting community needs is inadequate resources for programs that could address these needs. Funding within California and federal and private funding sources for housing and community development programs is and will remain limited for the foreseeable future due to the current economic situation.

Anticipated Resources

| Program | Source of Funds | Uses of Funds | Expected Amount Available Year 1 | | | | Expected Amount Available Remainder of ConPlan \$ | Narrative Description |
|---------|------------------|--|----------------------------------|--------------------|--------------------------|----------------|---|--|
| | | | Annual Allocation: \$ | Program Income: \$ | Prior Year Resources: \$ | Total: \$ | | |
| CDBG | public - federal | Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services | \$1,487,150 | \$0 | \$1,152,808.50 | \$2,639,958.50 | \$5,948,600 | A HUD formula-based program that annually allocates funds for a wide range of eligible housing and community development activities. |

| Program | Source of Funds | Uses of Funds | Expected Amount Available Year 1 | | | | Expected Amount Available Remainder of ConPlan \$ | Narrative Description |
|---------|------------------|---|----------------------------------|--------------------|--------------------------|----------------|---|---|
| | | | Annual Allocation: \$ | Program Income: \$ | Prior Year Resources: \$ | Total: \$ | | |
| HOME | public - federal | Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA | \$664,918 | \$0 | \$1,128,255.67 | \$1,626,255.67 | \$2,659,672 | A HUD formula-based program that annually allocates funds to support affordable housing programs. |

Table 49 - Anticipated Resources

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

Leveraging

The City and HUD share an interest in leveraging HUD resources to the maximum extent feasible to address priority needs and associated goals.

During the 5-year period of the Consolidated Plan the City will seek funds to leverage the Federal CDBG and HOME funds.

In the past, South Gate has actively leveraged its affordable housing projects, mostly with Redevelopment Set-aside funds. As the Redevelopment Agency was dissolved in 2012, the City will continue its efforts to leverage projects with other available resources. Some potential leveraging resources are listed below:

Low-income Housing Tax Credit (LIHTC) - The California Tax Credit Allocation Committee (TCAC) facilitates the investment of private capital into the development of affordable rental housing for low-income Californians. TCAC allocates federal and state tax credits to the developers of these projects. Corporations provide equity to build the projects in return for the tax credits. TCAC verifies that the developers have met all the requirements of the program and ensures the continued affordability and habitability of the developments for the succeeding 55 years.

Affordable Housing Sustainable Communities Housing Program: AHSC directs investments to historically under-invested communities, giving more Californians access to opportunity. At least 50% of AHSC funding is required by state law to be allocated to affordable housing and projects in, or that provide a benefit to, disadvantaged communities. These communities are defined by the California Environmental

Protection Agency's CalEnviroScreen tool, which combines environmental, health and socioeconomic data by census tract to indicate the level to which communities are impacted by pollution. New legislation will also require AHSC to invest in low-income census tracts throughout the state.

Additional housing resources are listed below:

Housing Choice Vouchers: The South Gate Housing Authority's Section 8 rental voucher program provides rental assistance to help very low-income families afford decent, safe, and sanitary rental housing. The Housing Authority accepts the application for rental assistance, selects the applicant for admission, and issues the selected family a rental voucher confirming the family's eligibility for assistance. The family must then find and lease a dwelling unit suitable to the family's needs and desires in the private rental market. The Housing Authority pays the owner a portion of the rent (a housing assistance payment (HAP)) on behalf of the family.

654 City households currently receive Section 8 housing vouchers.

Mortgage Credit Certificate Program - Income tax credits are available to first-time homebuyers to buy new or existing single-family housing. The County of Los Angeles administers this program on behalf of jurisdictions in the County.

A Mortgage Credit Certificate (MCC) entitles qualified home buyers to reduce the amount of their federal income tax liability by an amount equal to a portion of the interest paid during the year on a home mortgage. This tax credit allows the buyer to qualify more easily for a loan by increasing the effective income of the buyer. The LA County MCC Program provides for a 20% rate which can be applied to the interest paid on the mortgage loan. The borrower can claim a tax credit equal to 20% of the interest paid during the year. Since the borrower's taxes are being reduced by the amount of the credit, this increases the take-home pay by the amount of the credit. The buyer takes the remaining 80% interest as a deduction. When underwriting the loan, a lender takes this into consideration and the borrower can qualify for a larger loan than would otherwise be possible.

Matching Requirements

A participating jurisdiction (PJ) receiving HOME funds is required to contribute a 25% match of non-HOME funds for every dollar of HOME funds spent. In general, as cities draw their HOME funds, they will incur a match liability, which must be satisfied by the end of each fiscal year. The HOME statute also provides a reduction of the matching contribution under three conditions: 1) Fiscal distress, 2) severe fiscal distress, and 3) presidential disaster declarations.

A PJ may be entitled to a greater reduction if an increase in its poverty rate or a decrease in its per capita income causes it to be eligible for a 100% match reduction. If a PJ satisfies both distress criteria, it is determined to be in severe fiscal distress and receives a 100% reduction of match.

The City of South Gate will still be eligible for the (100%) match reduction during PY 2020-2021 due to the percentage of poverty level families (19.6%) and the low per capita income (\$17,017, ACS, 2017 1-year estimates, Table B19301).

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

There is no publicly owned land that is available at this time to address the needs described in the Consolidated Plan. However, the City does explore opportunities to partner with non-profits to address unmet housing needs. In some cases, the partnership involves land and/or existing property.

Discussion

Please refer to preceding paragraphs.

SP-40 Institutional Delivery Structure – 91.215(k)

Explain the institutional structure through which the jurisdiction will carry out its consolidated plan including private industry, non-profit organizations, and public institutions.

| Responsible Entity | Responsible Entity Type | Role | Geographic Area Served |
|---|-------------------------|--|------------------------|
| CITY OF SOUTH GATE | Government | Homelessness Non-homeless special needs Ownership Planning Rental neighborhood improvements public facilities public services | Jurisdiction |
| NEWSTART HOUSING CORPORATION, INC. | CHDO | Ownership Rental | Jurisdiction |
| HOME OWNERSHIP FOR PERSONAL EMPOWERMENT (HOPE) | CHDO | Non-homeless special needs Ownership Rental | Jurisdiction |
| SOUTH GATE HOUSING AUTHORITY | PHA | Rental | Jurisdiction |
| LOS ANGELES HOMELESS SERVICES AUTHORITY (LAHSA) | Continuum of care | Homelessness | Region |

Table 50 - Institutional Delivery Structure

Assess of Strengths and Gaps in the Institutional Delivery System

The City of South Gate’s Community Development Department Housing Division will take the lead role in implementing the housing and community development strategies, as defined throughout the Strategic Plan, over the next five years. The City is responsible for implementing the Federal Community Development Block Grant (CDBG) Program and the Home Investment Partnership Program (HOME). CDBG grants will be awarded to subrecipients using the application process outlined in the Citizen Participation Plan.

The strength of the delivery system is that the work of the City, the South Gate Housing Authority, Citizen Advisory Committee, and other non-profits and for-profit entities is closely coordinated. Gaps in the delivery system are minimal and relate only to the lack of resources to implement needed activities or to expand programs rather than inadequate institutional capacity.

Availability of services targeted to homeless persons and persons with HIV and mainstream services

| Homelessness Prevention Services | Available in the Community | Targeted to Homeless | Targeted to People with HIV |
|---|----------------------------|----------------------|-----------------------------|
| Homelessness Prevention Services | | | |
| Counseling/Advocacy | X | | |
| Legal Assistance | X | | |
| Mortgage Assistance | X | | |
| Rental Assistance | X | | |
| Utilities Assistance | | | |
| Street Outreach Services | | | |
| Law Enforcement | X | X | |
| Mobile Clinics | | | |
| Other Street Outreach Services | X | X | |
| Supportive Services | | | |
| Alcohol & Drug Abuse | X | | |
| Child Care | X | | |
| Education | X | | |
| Employment and Employment Training | X | | |
| Healthcare | X | | |
| HIV/AIDS | X | | |
| Life Skills | X | | |
| Mental Health Counseling | X | | |
| Transportation | X | | |
| Other | | | |
| Fair Housing | X | | |

Table 51 - Homeless Prevention Services Summary

Describe how the service delivery system including, but not limited to, the services listed above meet the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth)

The City staff administers two homeless programs:

Homeless Prevention Program

The City of South Gate plans, coordinates and organizes strategies to assist the City's homeless population in collaboration with other public and private organizations. The County of Los Angeles through Los Angeles Homeless Services Authority (LAHSA) has the primary responsibility for providing regional homeless services.

Individuals and families who do not qualify as South Gate residents are referred to People Assisting the Homeless (PATH) for screening.

Homeless Outreach Program

The South Gate Police Department, in cooperation with The Salvation Army Bell Shelter, operates a homeless outreach program which consists of a mobile outreach team. A Police Department Liaison and personnel from the Bell Shelter coordinate street outreach efforts by vehicle and by foot.

Street outreach, case management, and referrals are provided to homeless families and individuals through this program. Homeless clients are provided guidance in the identification of barriers to overcoming homelessness and the development of a plan to address these challenges. The team then assists clients at a highly supportive level to address those needs which may include accessing mainstream services, increasing income, developing self-determination, and accessing shelter and housing.

Describe the strengths and gaps of the service delivery system for special needs population and persons experiencing homelessness, including, but not limited to, the services listed above

The City has cooperative relationships with surrounding jurisdictions, diverse types of agencies, and nonprofits to meet the Consolidated Plan goals. This coordination has led to solid working relationships that enable all service providers to better assist those in need.

Non-Profit Organizations: The City utilizes a variety of nonprofit organizations to address community needs, such as homelessness, special needs, fair housing, and food distribution services.

Public Housing Authority: The South Gate Housing Authority continues to administer the Housing Choice Voucher Program (Section 8) for City residents. The City will work with the Housing Authority to improve the living environment of residents.

Coordination with those described above has led to solid working relationships that assisted to enable all service providers to better assist those in need and created a strong network of individual agencies working toward a common goal.

Provide a summary of the strategy for overcoming gaps in the institutional structure and service delivery system for carrying out a strategy to address priority needs

With resources becoming more and more limited, the City proposes to overcome gaps in institutional structure by:

- 1) Maintaining open communication with subgrantees and other consolidated planning partners;
- 2) Utilizing technology to share, distribute information, foster, and maintain constant contact with community planning partners; and
- 3) Recommending and assisting to coordinate the use of volunteers (volunteer-based organizations) in which to fill gaps where it logically makes sense

SP-45 Goals Summary – 91.215(a)(4)

Goals Summary Information

| Sort Order | Goal Name | Start Year | End Year | Category | Geographic Area | Needs Addressed | Funding | Goal Outcome Indicator |
|------------|------------------------------------|------------|----------|-----------------------------------|-----------------|--|--|---|
| 1 | Administration | 2020 | 2025 | Administration | Citywide | Planning and Administration | CDBG: \$1,367,150 HOME: \$831,145 | Other: 0 Other |
| 2 | Fair Housing | 2020 | 2025 | Administration | Citywide | Ensure equal access to housing opportunities | CDBG: \$120,000 HOME: \$0 | Other: 1350 Other |
| 3 | Housing | 2020 | 2025 | Affordable Housing | Citywide | Preserve the supply of affordable housing | CDBG: \$500,000 HOME: \$2,744,756 | Homeowner Housing Rehabilitated: 30 Households/ Housing Units |
| 4 | Commercial Rehabilitation | 2020 | 2025 | Non-Housing Community Development | Citywide | Commercial Rehabilitation | CDBG: \$1,300,000 HOME: \$0 | Businesses assisted: 70 Businesses Assisted |
| 5 | Infrastructure and Public Facility | 2020 | 2025 | Non-Housing Community Development | Citywide | Infrastructure and Public Facilities | CDBG: \$700,000 | Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: |
| 6 | Public Services | 2020 | 2025 | Non-Housing Community Development | Citywide | Provide public services for low income residents | CDBG: \$1,906,581 HOME: \$0 | Public service activities other than Low/Moderate Income Housing Benefit: 1,225 Persons Assisted |

Table 52– Goals Summary

Goal Descriptions

| | | |
|---|-------------------------|---|
| 1 | Goal Name | Administration |
| | Goal Description | Provide planning and administrative services. |
| 2 | Goal Name | Fair Housing |
| | Goal Description | Promote fair housing. |
| 3 | Goal Name | Housing |
| | Goal Description | Promote and maintain affordable housing options |
| 4 | Goal Name | Commercial Rehabilitation |
| | Goal Description | Provide financial assistance for the rehabilitation of commercial facade improvements. |
| 5 | Goal Name | Infrastructure and Public Facility |
| | Goal Description | Provide funding projects such as: Street Lighting, water, sewer, street, alley, and sidewalk improvements. Park Improvements. Retrofitting public facilities to meet the Americans with Disabilities Act (ADA) and comparable State law. |
| 6 | Goal Name | Public Services |
| | Goal Description | Expand and improve the quality and quantity of public service programs. |

Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.315(b)(2)

The City will assist in providing affordable housing in the next five years to the following number of families by income group:

1. Extremely low-income families: 3
2. Low-income families: 3
3. Moderate-income families: 3



SP-50 Public Housing Accessibility and Involvement – 91.215(c)

Need to Increase the Number of Accessible Units (if Required by a Section 504 Voluntary Compliance Agreement)

There are no public housing units in the City of South Gate; therefore, this section does not apply.

Activities to Increase Resident Involvements

There are no public housing units in the City of South Gate; therefore, this section does not apply.

Is the public housing agency designated as troubled under 24 CFR part 902?

N/A

Plan to remove the 'troubled' designation

There are no public housing units in the City of South Gate; therefore, this section does not apply.

SP-55 Barriers to affordable housing – 91.215(h)

Barriers to Affordable Housing

Strategy to Remove or Ameliorate the Barriers to Affordable Housing

According to HUD guidance, the Strategic Plan must identify strategies for removing or ameliorating the negative effects of public policies that serve as barriers to affordable housing which were described in MA-40. The *2014-2021 Housing Element* includes a program to “Provide Assistance for Affordable Housing Development,” which is described as follows:

Provide technical assistance, financial support, and expedited review for affordable housing development. Given the City’s current financial situation, providing direct subsidies to gap- finance affordable housing development may not be an immediately feasible option. However, as funding permits, the City may consider offering financial assistance to support affordable housing development:

Land Assemblage and Write-Down: The City may utilize CDBG and HOME funds to write-down the cost of land for the development of low-and moderate-income housing and housing for special needs, including for persons with disabilities. As part of the land write-down, the City may also assist in acquiring and assembling property, subsidizing on-site and off-site improvements, and assisting in relocation activities as well as clearing and demolition. The City has previously worked with HOPE to pursue affordable housing development, including eight units for persons with developmental disabilities. HOME funds were allocated to assist these projects.

Direct Financial Assistance: The City may utilize HOME funds to provide direct financial assistance in support of affordable housing development.

In addition, the City may provide other forms of support for affordable housing development:

Application for State and Federal Housing Funds: The City will apply for funding directly or support the application for affordable housing funds by developers if the proposed projects are determined to be consistent with the goals of this Housing Element.

Expedited Review and Priority Processing: The City will expedite and prioritize the review of housing or mixed-use developments that incorporate an affordable housing component to reduce the holding costs associated with delays (such as increased construction financing costs).

Fee Deferrals: The City will consider fee deferrals for housing or mixed-use developments that incorporate an affordable housing component.

SP-60 Homelessness Strategy – 91.215(d)

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

Homelessness affects many people from all social, economic, and racial backgrounds. The causes of homelessness are varied and include loss of employment, mental illness, substance abuse, a health crisis, domestic violence, foreclosure, limited income (such as SSI for elderly and people with disabilities which prevent them from aging in place due to high cost of living) and loss of familial support. Individuals or families that are homeless have a variety of special needs, including emergency shelter, counseling, job training, transitional housing, and permanent supportive housing. The long-term housing needs are for transitional housing and permanent supportive housing.

The South Gate Police Department, in cooperation with The Salvation Army Bell Shelter, operates a homeless outreach program which consists of a mobile outreach team. A Police Department Liaison and personnel from the Bell Shelter coordinate street outreach efforts by vehicle and by foot.

Street outreach, case management, and referrals are provided to homeless families and individuals through this program. Homeless clients are provided guidance in the identification of barriers to overcoming homelessness and the development of a plan to address these challenges. The team then assists clients at a highly supportive level to address those needs which may include accessing mainstream services, increasing income, developing self-determination, and accessing shelter and housing.

Addressing the emergency and transitional housing needs of homeless persons

Locally, the Salvation Army Bell Shelter operates a comprehensive program that offers transitional care for up to 350 homeless men and women. The goal of the Bell Shelter is to meet the needs of the homeless population by addressing the myriad of reasons why people become homeless and assisting them in developing a higher quality of life through independence. Services offered include emergency shelter, transitional housing, substance abuse rehabilitation, case management, counseling, on-site health care and medical referrals, HIV/AIDS education, ESL classes, computer training, vocational assistance, job referrals and life skills classes. In 2018, the City is awarding the Salvation Army \$20,000 in CDBG funds.

The South Gate Domestic Violence Education and Prevention program administered by the South Gate Police Department provides shelter, court advocacy, counseling, 24-hour hotline, crisis intervention, support groups and case management to domestic and sexual abuse victims.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again.

There are a variety of service providers in South Gate that assist low income individuals and families. These

providers ensure that they are meeting the needs of the community to the best of their abilities.

Help low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families who are likely to become homeless after being discharged from a publicly funded institution or system of care, or who are receiving assistance from public and private agencies that address housing, health, social services, employment, education or youth needs

There are a variety of agencies in the region that provide housing options and case management assistance including those returning from mental and physical health institutions. They provide the option of living independently in a group setting. These agencies are described in section *MA-30 Homeless Facilities and Services - 91.210 (c)*

SP-65 Lead based paint Hazards – 91.215(i)

Actions to address LBP hazards and increase access to housing without LBP hazards

The City's strategy in addressing lead-based paint hazards involves an educational component for the public, printed outreach information to those households in the "lead hot zones" as identified by the County, and printed information are given to participants in the City's rehabilitation loan programs.

The reduction of Lead Based Paint (LBP) hazards in the City's housing stock is an annual objective in South Gate. As a part of its HOME funded Housing Rehabilitation Program, the City of South Gate offers assistance to homeowners to make repairs and address code violations and safety issues. One of the first procedures of this rehabilitation program is to have certified Lead Based Paint (LBP) inspectors and risk assessors perform inspections and assessments on all properties built prior to January 1st, 1978 to test for lead. When any units test positive for lead, certified contractors are hired for remediation and abatement of the lead. Occupants are not allowed back into the unit until the unit has been completely remediated.

How the actions are listed above related to the extent of lead poisoning and hazards?

Most of the homes in South Gate were built prior to 1978 and have lead-based paint somewhere on the structure. Lead based paint is found on windowsills, doorways, or under the eaves. The hazards of lead-based paint are primarily to young children up to age 6, as they are more likely to eat peeling paint. Lead adversely affects the development of a child's brain and other organs. As noted above, the City focuses its efforts on "lead hot zones" as identified by the County of Los Angeles.

How are the actions listed above integrated into housing policies and procedures?

Lead-based paint hazards are found in homes built prior to 1978. All Grantees and Participating Jurisdictions must assess homes built prior to 1978 for lead hazards and conduct interim or abatement controls as warranted.

All units in a project assisted with CDBG and HOME funds must comply with the regulations found at 24 CFR Part 35. The purpose of the regulation is to identify and address lead-based paint hazards before children are exposed to lead. This requirement has been in effect since September 15, 2000.

The Residential Rehabilitation Program focuses on rehabilitating existing housing stock throughout the City covering interior and exterior home improvement and/or repairs. In combination with the Residential Rehabilitation Program, the City offers \$10,000 grants to be used for termite and lead abatement. Lead assessments are conducted on all housing projects, both single family and multi-family units. All HCV participant rental units are inspected annually.

SP-70 Anti-Poverty Strategy – 91.215(j)

Jurisdiction Goals, Programs and Policies for reducing the number of Poverty-Level Families

The Consolidated Plan must include the following information:

- A concise summary of the City's goals, programs, and policies for reducing the number of poverty-level families.
- Description of the coordination of housing programs funded through the Consolidated Plan with the City's other programs and services to reduce the number of poverty-level families.
- Description of the job training, job placement, life skills training, and welfare to work programs designed to reduce the number of poverty-level families
- Description of the policies for providing employment and training opportunities to Section 3 residents pursuant to 24 CFR 135

The strategy, according to HUD, should focus on activities designed to reduce the number of persons in poverty rather than on services provided to persons in poverty. In addition, the plan should focus on factors over which the jurisdiction has control.

South's Gate's Poverty Levels

South Gate's poverty rate is 19.6%. In contrast, the poverty rate for the entire Los Angeles County area is 14.9%. The number of poor persons is estimated to be 18,690. Of this number 7,614 or 41% of all poor persons are 17 years of age or younger.

The 2017 American Community Survey estimates that 4,954 households (21% of all households) have incomes below the poverty level. An estimated 3,842 of the 4,954 households are family households.

HUD has declared that neighborhoods of *extreme* poverty are those having a poverty rate that exceeds 40% or is three times the poverty rate for the metropolitan area, whichever is *lower*.

Source: U.S. Department of Housing and Urban Development, *Affirmatively Furthering Fair Housing (AFFH) Data Documentation*, July 7, 2015, page 9

In connection with the Section 8 Management Assessment Program (SEMAP) certification, 24 CFR 985.3(h) defines "low poverty":

A low poverty census tract is defined as a census tract where the poverty rate of the tract is at or below 10 percent, or at or below the overall poverty rate for the principal operating area of the

PHA, whichever is greater. The PHA [public housing authority] determines the overall poverty rate for its principal operating area using the most recent available decennial Census data.

The poverty rate for Los Angeles County is 14.9% and, thus, that percentage is the upper limit of a “low poverty” census tract. Based on the above analysis, four categories are appropriate for a proper analysis:

- Low Poverty 14.9% or less
- Normal Poverty 15.0% to 30%
- High Poverty 30.1% to 40.0%
- Extreme Poverty 40.1%+

City Table 6 shows the poverty rate for each census tract. The poverty rates range from a low of 5.6% to a high of 29.1%. The number of census tracts in each category is listed below:

- Low Poverty 4
- Normal Poverty 14
- High Poverty 0
- Extreme Poverty 0

**City Table 6
City of South Gate
Poverty Rates by Census Tract**

| Census Tract | Population for whom poverty status is determined | Below poverty level | Percent below poverty level |
|--------------|--|---------------------|-----------------------------|
| 5355.01 | 3,949 | 1,015 | 25.7% |
| 5355.02 | 5,133 | 1,108 | 21.6% |
| 5355.03 | 2,380 | 627 | 26.3% |
| 5356.03 | 3,593 | 784 | 21.8% |
| 5356.04 | 4,332 | 990 | 22.9% |
| 5356.05 | 4,639 | 1,151 | 24.8% |
| 5356.06 | 2,106 | 394 | 18.7% |
| 5356.07 | 5,075 | 1,199 | 23.6% |
| 5357.01 | 5,739 | 648 | 11.3% |
| 5357.02 | 4,756 | 1,386 | 29.1% |
| 5358.02 | 6,536 | 947 | 14.5% |
| 5358.03 | 4,476 | 1,076 | 24.0% |
| 5358.04 | 5,631 | 1,297 | 23.0% |
| 5359.01 | 5,734 | 1,238 | 21.6% |
| 5359.02 | 7,012 | 393 | 5.6% |
| 5360.00 | 3,797 | 635 | 16.7% |
| 5361.02 | 3,386 | 266 | 7.9% |
| 5362.00 | 7,159 | 1,373 | 19.2% |

American Factfinder, 2017 American Community Survey 1-Year Estimates, Table S1701, Poverty Status in the Past 12 Months
Note: these are entire CTs. Also the l/m data had a CT 5361.01 but AFF did not show that that CT existed.

Safety net programs such as CalWORKs, General Relief, Cal Fresh, Earned Income Tax Credit (EITC), and Social Security help to reduce poverty levels throughout the state. According to the Public Policy Institute of California (PPIC), the California Poverty Measure (CPM) for the state as a whole would increase from 22.0% to 29.8% if all safety net programs except Social Security were not counted, and it would soar to 34.4% percent if all programs, including Social Security, were not counted. In the absence of cash-based, in-kind, and tax-based safety net programs, the PPIC estimate of child poverty would be 39.0%, 13.9% higher than the actual estimate of 25.1 %.

Sources: Public Policy Institute of California, *The California Poverty Measure: A New Look at the Social Safety Net*, October 2013, page 1

As noted, Federal and state safety net programs contribute to reducing poverty. According to the Los Angeles County Department of Public Social Services (DPSS), the number of South Gate residents who as of December 2015 participated in three safety net programs is as follows:

- CalWORKs 4,102
- General Relief 190
- Cal Fresh 12,367

Source: County of Los Angeles, Department of Public Social Services, *Caseload Characteristics Report*, December 2015, South Gate City Report

Absent these and other safety net programs, the poverty rate in South Gate would increase significantly.

Goals

The City's major goal is to *reduce the poverty rates of the City's population and neighborhoods.*

A related goal is to *reduce the poverty rates in the three census tracts/neighborhoods having the highest poverty rates, all exceeding 25%.*

Programs

In the short-term (the 5 years between 2020 and 2025), the most direct path to reducing the poverty rates is to concentrate efforts on the *working poor and jobless adults in the labor force.* As previously noted, almost 41% of the poor persons are too young to attend school or are attending school (K-12). When the parents of these children have incomes above the poverty level, the children also will be lifted out of poverty.

Specific actions to reduce poverty are described below:

Provide Job Skills Training to the Working Poor and Jobless Adults: The City will work to provide jobs skills training to unemployed persons living in the poorest neighborhoods. A key poverty reducing strategy is

to provide appropriate technical education and training to low wage workers and unemployed workers in the labor force.

Increase Participation in Poverty Reducing Programs: The City will work to inform poor families of poverty reducing programs such as the Earned Income Tax Credit (EITC). Research has demonstrated that increasing participation in safety net programs helps to reduce poverty rates.

Source: Public Policy Institute of California, Sarah Bohn and Caroline Danielson, *Improving California Children's Participation in Nutrition Programs, the Safety Net in California*, December 2016, 14 pages

Although the EITC is one of the most efficient anti-poverty programs, *unclaimed* EITC dollars are never spent on local business, fewer jobs are created or supported, fewer wages are paid, and eventually less tax revenue goes to state and local governments. In 2012, the amount of Los Angeles County unclaimed EITC payments was \$566,019,750 which resulted in 4,314 lost jobs and foregone labor income of \$236,862,336.

Source: Antonio Avalos, Ph.D., University Business Center, California University, Fresno, *The Costs of Unclaimed Earned Income Tax Credits to California's Economy: Update of the "Left on the Table" Report*, March 2015, 28 pages

Research indicates that families mostly use the EITC to pay for necessities, repair homes, maintain vehicles that are needed to commute to work, and in some cases, obtain *additional education or training* to boost their employability and earning power.

Source: Center on Budget and Policy Priorities, *Policy Basics: The Earned Income Tax Credit*, October 21, 2016, 4 pages

Increase the Educational Attainment of Workers Living in Neighborhoods with the Highest Poverty Rates: The City will work with other agencies to improve the educational attainment of low wage or unemployed workers who live in the neighborhoods with the highest poverty rates.

Provide Job search and Placement Services to Low Wage and Unemployed Workers Living in the Neighborhoods with the Highest Poverty Rates: The Hub Cities WorkSource Center is made possible through funding and support from a variety of partners. All services are provided to employers and job seekers at no cost through the Federal Workforce Innovation and Opportunity Act (WIOA). HUB Cities is located approximately 2.6 miles from South Gate's City Hall. HUB Cities offers several job seeker services including training assistance, referrals to ESL programs, services for veterans, and assistive devices for individuals with disabilities.

Policies

Anti-Poverty Policy #1: To continue to support and coordinate with public and private efforts aimed at preventing and reducing poverty level incomes.

Anti-Poverty Policy #2: To conduct outreach with public and private agencies whose mission is to reduce poverty level incomes such as United Way of Greater Los Angeles, County of Los Angeles Department of Public Social Services (DPSS), Los Angeles County Community Action Board, and non-profit organizations.

(DPSS administers the Community Services Block Grant (CSBG) Program which is designed to provide a range of services to assist low-income individuals and families attain the skills, knowledge, and motivation necessary to achieve self-sufficiency. The purpose of the CSBG Program is aligned with the Los Angeles County Community Action Board's (CAB) three-part mission: 1) Empower the poor to become self-sufficient, 2) Alleviate the immediate challenges of poverty, and 3) Address the underlying causes of poverty through community action and advocacy.)

Anti-Poverty Policy #3: Allocate CDBG public service funds to projects and activities that will help persons and families who have incomes fall below the poverty level.

How are the Jurisdiction poverty reducing goals, programs, and policies coordinated with this affordable housing plan?

The Anti-Poverty Strategy is directly coordinated with the City's Affordable Housing Plan/Strategy. A fundamental purpose of the housing programs is to reduce the cost burdens experienced by low-and moderate-income families. Many of these families have extremely low incomes and, therefore, likely to have poverty level incomes.

With respect to Section 8 rental assistance, the City will carry out the following anti-poverty actions in coordination with its Affordable Housing Plan:

- The City will continue to support the South Gate Housing Authority's Section 8 Housing Choice Voucher Program.
- The South Gate Housing Authority will continue to encourage families receiving Section 8 rental assistance to participate and graduate from the Family Self-Sufficiency Program (FSSP). The City will periodically request information from the Housing Authority on FSS participation and graduation levels.
- The City will provide and/or seek funding for childcare services. Access to childcare is a policy that contributes to helping the working poor to make ends meet and avoid poverty.

According to the California Budget Project, access to childcare is a policy that contributes to helping the working poor to make ends meet. The California Budget Project states:

Quality childcare can be prohibitively expensive to low-income working families. Some families are able to obtain assistance through California's childcare programs, which provide low-cost childcare for eligible families. However, state and federal funding for childcare programs has failed to keep pace with the need.

The National Center for Children in Poverty suggests a strategy to reduce low-income families work related expenses through childcare and after school care programs. The Center also recommends making housing available to the many low-income children in both working and jobless families who are without this basic resource.

SP-80 Monitoring – 91.230

Describe the standards and procedures that the jurisdiction will use to monitor activities carried out in furtherance of the plan and will use to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

Overview

The City of South Gate's Community Development staff is responsible for ensuring that the CDBG and HOME funds it manages and allocates toward subrecipient projects are in compliance with federal regulations and guidelines. As a part of these compliance measures, South Gate staff performs monitoring activities that include contractual agreements, technical assistance, desk reviews, annual risk assessments, on-site monitoring of recipient agencies, and complying with federal and City contracting regulations.

Contractual Agreements

An initial step the City of South Gate takes to ensure long-term compliance with program requirements and comprehensive planning requirements is entering into a contractual agreement with each of its subrecipients, contractors, grantees, etc. These agreements include a detailed scope of services with measurable objectives. The federal general provisions, along with reference to the appropriate U.S. Office of Management and Budget (OMB) Circulars, are included in contractual agreements to ensure compliance. The budget line items must be reflective of the goals and objectives. In situations where the terms and conditions of the subrecipient's written agreement require compliance beyond the end term of the agreement, the project must continue to meet CDBG and HOME national objectives.

Desk Reviews

City staff also uses desk reviews to monitor active projects for compliance with federal regulations. In addition to City staff offering technical assistance and guidance with questions, this monitoring procedure takes place on a daily basis as staff check eligibility of reimbursement requests and performance reports to make sure these are consistent with the terms of the subrecipient agreements. The desk monitoring process also helps City staff conduct annual risk assessments, which are used to determine which subrecipients will receive an on-site monitoring visit.

Annual Risk Assessments

In addition to serving as an indicator for on-site monitoring, the City's annual risk assessment also serves as the primary measuring tool in evaluating a subrecipient's performance. At the end of the second quarter each program year, the Community Development team will meet to evaluate high risk activities based on indicators of need and the capacity of subrecipients with open activities. If a subrecipient falls below a designated point level, an on-site monitoring is triggered. As a part of an on-site monitoring, South Gate staff will evaluate agencies' programmatic and fiscal management policies, open project or

activity files, and recent financial audits. City staff will utilize their combined HOME and CDBG Monitoring Tools from the City's CDBG Procedural Manual, as well as the HUD Monitoring Desk Guide to determine CDBG and HOME program compliance. In addition to staff monitoring, Community Development programs may also be selected for review by the City's internal and external auditors.

Compliance with Federal and City Contracting Regulations

The City also ensures compliance with all Federal and City contracting regulations, including procurement, Federal Labor Standards, Davis-Bacon, equal opportunity (Minority Business Enterprise and Women Business Enterprise), Section 3, as well. While construction projects are underway, on-site compliance interviews with the workers are conducted. In addition, staff ensures compliance with the OMB requirements for conducting single audits, as well as complies with the HUD reporting requirements for accomplishment in the Integrated Disbursement and Information System (IDIS).

South Gate Fiscal Year 2020-2021 Annual Action Plan

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Annual Action Plan Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

The City of South Gate's 2020-2021 Action Plan for funding and program activities is based on priorities established by the City's Five-Year Consolidated Plan. The 2020-2021 Action Plan is the first year of the five-year strategy for 2020 through 2021. The Five-Year Consolidated Plan combines two Federal Department of Housing and Urban Development (HUD) Programs: Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME).

The City's Community Development Department, Housing Division, coordinates, manages plans, submits and implements the process. The Division continues to be involved in activities which enhance the coordination among public and non-profit, private housing providers, and health and service agencies.

The 2020-2021 Action Plan serves as the City's blueprint for providing decent affordable housing to lower-income households, providing suitable living environments, expanding economic opportunities, and expanding the capacity of nonprofit housing providers to the citizens of South Gate. This strategic plan sets forth goals, objectives, and performance benchmarks for measuring and establishing a framework for progress. The City will receive \$1,487,150 in PY 2020-2021 CDBG funds and is allocating \$936,861 in CDBG carryover funds from prior years. CDBG funds will be assigned to a CDBG eligible activities for FY 2020-2021. The City is receiving \$664,918 in HOME funds for PY 2020-2021 and is allocating \$1,128,255.67 in HOME carryover funds from prior years.

It should be noted that the City received \$874,841 in CDBG-CV funds in FY 19/20 and the 19/20 Action Plans was amended to program most of the funds on eligible activities. It has been determined that 20 cents were omitted. The City is revising the Senior Food Distribution activity to \$286,200 to account for the 20 cents omitted.

The proposed plan includes the following initiatives under CDBG funding: Community Service Programs (i.e. supporting Youths, homeless, etc.); General Administration, Program Delivery, Minor Home Improvement Program, Code Enforcement, Public Improvements, Commercial Façade Program, and Fair Housing. The funds serve extremely-low to moderate-income residents.

HOME funded activities include: General Administration, affordable housing acquisition and development, first-time homebuyer down payment assistance, and residential rehab programs. The populations served are low-to moderate-income.

2. Summarize the objectives and outcomes identified in the Plan

The CDBG and HOME funds will be used to meet the goals and objectives established in the 2020-2025 Consolidated Plan. The goals and objectives have been developed in consultation with citizens, service agencies, other funding partners, and businesses to provide decent housing, a suitable living environment and economic opportunities for low-to moderate-income households.

The City will pursue these goals and objectives by working with the non-profit community, neighborhood groups, associated businesses, stakeholders, labor union representatives, other local government entities, residents and partners. The City will also work closely with other City departments to jointly plan, implement and evaluate the program's core activities.

The City of South Gate will strive to meet the following goals and objectives between 2020 and 2025. These goals are based on assumptions as to future funding levels for the Consolidated Plan programs. Because these funding sources are subject to annual Congressional appropriations as well as potential changes in funding distribution formulas or the number of communities eligible to receive entitlement grants, the accomplishment projections and planned activities are subject to change with availability of funding.

Summary of Goals

The goals of the 2020-2025 Consolidated Plan include:

- Preservation and rehabilitation of the existing housing stock using CDBG and HOME funds.
- Expand and improve the quality and quantity of public service programs.
- Promote fair housing.
- Provide infrastructure and public facility funding.
- Target code enforcement activities to public health and safety issues.
- Provide financial assistance for the rehabilitation of commercial façade improvements.
- Economic Development activities that promote employment and preserve local businesses.
- Housing rehabilitation.
- Public Services.

3. Evaluation of past performance

The City continually strives to improve the performance of its operations and those of its funded agencies. The City prepares the Consolidated Annual Performance Evaluation and Report (CAPER) annually, which documents progress toward meeting needs and achieving strategies established in the Consolidated Plan and the Annual Action Plans.

Over the past years, the City's CDBG funds were used for meeting the three goals of providing decent housing; creating a suitable living environment; and expanding economic opportunities to low-and moderate-income persons in South Gate

City Table 1 describes past performance for the first four years of the five-year 2015-2020 Consolidated Plan.

**City Table 1
Accomplishments-Consolidates Plan- FY 2015-2016-FY 2018-2019**

| Goal | Program Indicator | 5-Year Objectives | 4-Year Accomplishments | Percent Completed |
|------------------------------------|---|----------------------------|-------------------------------|--------------------------|
| Code Enforcement | Housing Code Enforcement and Foreclosed Property Care | 12,500 Housing Units | 11,492 | 91.9% |
| Commercial Rehabilitation | Businesses Assisted | 15 Businesses Assisted | 51 | 340% |
| Fair Housing | Other | 3000 Other | 1,430 | 47.7% |
| Housing | Rental Units Rehabilitated | 2 Rental Housing Units | 0 | 0% |
| Housing | Homeowner Housing Rehabilitated | 25 Homeowner Housing Units | 24 | 96% |
| Infrastructure and Public Facility | Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit | 100,000 Persons Assisted | 210,436 | 210.44% |
| Public Services | Public Service Activities other than Low/Moderate Income Housing Benefit | 3,000 Persons Assisted | 2,546 | 84.87% |

4. Summary of Citizen Participation Process and consultation process

Community outreach is an important component of the Action Plan process. To foster community participation, the City developed a Citizen Participation Plan, which establishes policies and procedures for the establishment of the Consolidated Plan, its Annual Action Plans, its Consolidated Annual Performance and Evaluation Reports (CAPER), and for any substantial amendments that may be proposed to the Consolidated Plan or the Action Plans or if the City applies for Section 108 loan assistance. A second component of the City's community outreach effort is consultation with private and public agencies that

have been providing services and research data in the City. During the development of this Action Plan, the City adhered to its Citizen Participation Plan, provided multiple opportunities for community input, and consulted with a variety of social service agencies.

The City is committed to maximizing community participation in the CDBG and HOME process. To ensure that its 2020-2021 Action Plan was based on an accurate needs assessment, the City used the following approach to create participation of residents, service providers, and other interested persons and organizations:

South Gate Citizens Advisory Committee

The South Gate Citizens Advisory Committee (CAC) is an advisory board created by City Council to ensure constant dialog exists between City Hall and the community. The role of the CAC is twofold. First, to ensure that City Council is appraised of the needs, desires, and interests of City residents. Second, to review and make recommendations on CDBG funding to City Council. The CAC, which meets six times a year, is comprised of 20 members representing the demographic and social range of residents in the City. The CAC was actively involved in the current Annual Action Plan process. The CAC reviewed the 2020-2021 Public Services applications and made CDBG selection and funding recommendations to City Council for the Annual Action Plan. It is anticipated that the CAC will continue to serve in an advisory role to the CDBG process.

Annual Public Services Application Process

The annual Public Services selection process established by the City requires applicants to submit an application describing their proposed project or program and detailing how the project meets local and national CDBG objectives and federal requirements. City staff and CAC CDBG review the public services applications and make a recommendation for CDBG funding to City Council. The CAC is comprised of residents who keep the City Council informed on concerns and opportunities in the community and advise on relevant and topical issues. The annual CAC recommendation and Council selection of public service grantees is based on the following criteria:

- Consistency of service activity with national objectives and federal requirements;
- Consistency of service activity with the goals, objectives, and strategies of the 5-year Consolidated Plan;
- Experience and competency of the applicant; and
- Demonstrated need and lack of other sources of funding.

5. Summary of public comments

The Annual Action Plan was made available for public review from August 4, 2020 through August 11, 2020, using a HUD waiver. The City prepared a notice announcing the Draft Action Plan was available for public review on the City's website. The notice was published in the local newspaper. The notice also

indicated the date, time, and location of the City Council public hearing for adoption of the Final Consolidated Plan and included the amount of HOME and CDBG assistance expected to be received during the plan duration. The City held a public hearing on August 25, 2020 and continued the item on September 22, 2020.

Public comments included comments on community needs and suggestions for activities to fund. Suggested activities included:

- Affordable housing
- Addressing homelessness
- Technology needs (Wi-Fi)
- Creating a more environmental and sustainable City
- Addressing food insecurity
- Mental health services
- Resources for students
- Allocating more funding to public services
- Rent & utility assistance.

6. Summary of comments or views not accepted and the reasons for not accepting them

All comments were accepted.

7. Summary

Based on public comments changes were made to activity allocations to fund activities noted by the public including, mental health, food insecurity, rental and utility assistance, and increased economic development opportunities.

PR-05 Lead & Responsible Agencies – 91.200(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

Describe the agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

| Agency Role | Name | Department/Agency |
|--------------------|------------|--|
| CDBG Administrator | SOUTH GATE | Community Development Department, Housing Division |
| HOME Administrator | SOUTH GATE | Community Development Department, Housing Division |

Table 30 – Responsible Agencies

Narrative (optional)

The City of South Gate (City) is the Lead Agency for the CDBG and HOME entitlement programs. The City's Community Development Department is responsible for the administration and preparation of the Consolidated Plan, Annual Action Plans and Consolidated Annual Performance Evaluation Reports (CAPER).

Consolidated Plan Public Contact Information

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AP-10 Consultation – 91.100, 91.200(b), 91.215(I)

1. Introduction

Consultation for the 2020-2021 Annual Action Plan was achieved through a variety of strategies, including the CAC, public hearings and public meetings. All efforts were made to contact appropriate parties and obtain thorough input. These consultations, in conjunction with participation from citizens, provided the plan direction and scope.

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(I))

Activities to enhance coordination between public and assisted housing providers and governmental health, mental health and service agencies are conducted on a regular basis. The City of South Gate's activities will include: 1) Accepting funding applications from housing, health care and service providers through its Annual Action Plan process. 2) Participating in local and regional committees such as the Los Angeles Homeless Services Authority (LAHSA) Continuum of Care and the Southern California Council of Governments (SCAG). Continued coordination is anticipated for planning efforts, as well as project implementation, between all of these groups.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

The City of South Gate is in Service Planning Area (SPA) 7 within LAHSA's Continuum of Care. LAHSA was established in December 1993 as a Joint Powers Authority to coordinate the effective and efficient utilization of Federal and local funding in providing services to homeless people throughout Los Angeles city and County. LAHSA coordinates and manages over \$70 million dollars annually in Federal, State, County and City funds for programs that provide shelter, housing and services to homeless persons in Los Angeles City and County.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

Not Applicable. The City does receive ESG funds.

2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdiction's consultations with housing, social service agencies and other entities

Table 31 – Agencies, groups, organizations who participated

| | | |
|---|--|--|
| 1 | Agency/Group/Organization | FAIR HOUSING FOUNDATION |
| | Agency/Group/Organization Type | Service-Fair Housing |
| | What section of the Plan was addressed by Consultation? | Housing Need Assessment |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Organization was contacted and provided input on housing affordability, fair housing issues, and landlord/tenant complaints. |
| 2 | Agency/Group/Organization | NEWSTART HOUSING CORPORATION, INC. |
| | Agency/Group/Organization Type | Housing |
| | What section of the Plan was addressed by Consultation? | Housing Need Assessment |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Organization was contacted and provided input on housing. NewStart has developed affordable housing in South Gate. |
| 3 | Agency/Group/Organization | HOME OWNERSHIP FOR PERSONAL EMPOWERMENT (HOPE) |
| | Agency/Group/Organization Type | Housing |
| | What section of the Plan was addressed by Consultation? | Housing Need Assessment Non-Homeless Special Needs |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Organization was contacted and provided input on housing and supportive services for adults with special needs. HOPE has developed affordable housing in South Gate. |

Identify any Agency Types not consulted and provide rationale for not consulting

None.

Other local/regional/state/federal planning efforts considered when preparing the Plan

| Name of Plan | Lead Organization | How do the goals of your Strategic Plan overlap with the goals of each plan? |
|--|---|---|
| State Plan for Independent Living (SPIL) for 2017-2019 | State Independent Living Council (SILC) | The Strategic Plan has goals in support of the State Plan for Independent Living because many of South Gate’s seniors are frail and disabled. |
| Los Angeles Continuum of Care | Los Angeles Homeless Services Authority (LAHSA) | The Continuum of Care identifies funding and activities assisting LA County’s homeless including one project helping South Gate’s homeless population. The City’s homeless goals and strategy support those of the Continuum of Care. |
| Four-Year Area Plan on Aging July 1, 2016 to June 30, 2020 Area Plan Update July 1, 2017 to June 30, 2018 | Los Angeles Department of Aging | The Strategic Plan supportive housing goals for the elderly and frail elderly support those of the Area Plan on Aging. |
| Los Angeles County Comprehensive HIV Plan (2017-2021) | Los Angeles County Commission on HIV County of Los Angeles Department of Public Health | The Strategic Plan includes goals based on the goals, needs, and strategies identified in the County’s Comprehensive HIV Plan. |
| 2014-2021 Housing Element of the General Plan | City of South Gate | The Strategic Plan goals are based on those included in the 2014-2021 Housing Element. |
| Gateway to the Future: Capital Improvement Program | City of South Gate | Public facility and public improvement needs and goals are based in part on those described in the Capital Improvement Plan. |

Table 32 – Other local / regional / federal planning efforts

Narrative (optional)

None.

AP-12 Participation – 91.105, 91.200(c)

**1. Summary of citizen participation process/Efforts made to broaden citizen participation
Summarize citizen participation process and how it impacted goal-setting**

The City of South Gate encourages citizen involvement in the planning, implementation and evaluation of its housing and community development programs. City staff continues to work with the Citizen Advisory Committee (CAC) and partner agencies to increase citizen participation and improve the PY 2020 CDBG application and evaluation process.

Below, is the citizen participation schedule that was followed for development of the 2020-2025 Consolidated Plan and FY 2020-2021 One-Year Action Plan.



Citizen Participation Outreach

| Sort Order | Mode of Outreach | Target of Outreach | Summary of response/attendance | Summary of comments received | Summary of comments not accepted and reasons | URL (If applicable) |
|------------|--|--|--|---|--|---------------------|
| 1 | 2020-2025 Consolidated Plan survey March 2, 2020 | Non-target/broad Community All interested persons | 217 persons responded to the survey | Survey responses are presented in the appropriate sections of the Consolidated Plan | All comments accepted | N/A |
| 2 | Community Meeting June 16, 2020 | Non-target/broad Community All interested persons | 1 person representing the City Library | Person was interested in CDBG services | All comments accepted | N/A |
| 3 | Community Meeting June 17, 2020 | Non-target/broad Community All interested persons | 1 City resident | Person was interested in CDBG public service funding | All comments accepted | N/A |
| 4 | Public Review Period August 4 – August 11, 2020 | Non-target/broad Community All interested persons | No comments received | No comments received | No comments received | N/A |
| 5 | Public Hearing August 25, 2020 & September 22, 2020 | Non-target/broad Community All interested persons | 29 comments received | Comments expressed interest on activities that should be funded with CDBG funds. | All comments accepted | N/A |

Table 33 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources – 91.220(c)(1,2)

Introduction

South Gate, like many jurisdictions, is faced with the challenging task of meeting increasing needs with fluctuating and/or decreasing federal and State resources.

The City anticipates that over the course of the 2020-2025 Consolidated Plan it will continue to receive CDBG and HOME funds. Along with these federal entitlements, the City may elect to utilize Section 108, Low-Income Housing Tax Credits and the State of California's housing such as CalHome to support housing development. Other resources that may be used include City General Fund as well as Program Income.

For FY 2020-2021, the City will receive the following funding:

HOME Investment Partnerships (HOME): The City will receive a grant allocation of \$664,918 and will utilize \$936,861 in carryover funds; of which twenty-five percent (25%) or \$166,229.50 will be used for Program Administration; Fifteen percent (15%) or \$244,042 will be allocated to a Community Housing Development Organization (CHDO) and the remaining seventy-five percent (75%) or \$932,903 will be spent on the affordable housing acquisition and development, first-time homebuyer down payment assistance, and residential rehab programs. The City does not have HOME Program Income (PI) to report at this time.

Community Development Block Grant (CDBG): The City will receive a grant allocation of \$1,487,150 and will utilize \$936,861; of which twenty percent (20%) or \$297,430 will be used for Program Administration which includes an allocation of \$24,000 for Fair Housing Foundation; the remaining balance of \$2,342,528.50 will be programmed in Public Service projects and City Services projects. The City does not have CDBG Program Income to report at this time. It should be noted that the City received \$874,841 in CDBG-CV funds in FY 19/20 and the 19/20 Action Plans was amended to program most of the funds on eligible activities. It has been determined that 20 cents were omitted. The City is revising the Senior

Food Distribution activity to \$286,200 to account for the 20 cents omitted.

The figures shown in the table below reflect HUD's current allocations. The figure for "Expected Amount Available Remainder of ConPlan" anticipates level funding using the 2020 allocation amounts and projecting those amounts over the two remaining years covered by the Consolidated Plan. If there are further funding cuts to CDBG over the coming years, the City will adjust accordingly and craft Annual Action Plans reflective of funding realities.

Anticipated Resources

| Program | Source of Funds | Uses of Funds | Expected Amount Available Year 1 | | | | Expected Amount Available Remainder of ConPlan \$ | Narrative Description |
|---------|------------------|--|----------------------------------|--------------------|--------------------------|-------------|---|--|
| | | | Annual Allocation: \$ | Program Income: \$ | Prior Year Resources: \$ | Total: \$ | | |
| CDBG | public - federal | Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services | \$1,487,150 | \$0 | \$936,861 | \$2,424,011 | \$5,948,600 | A HUD formula-based program that annually allocates funds for a wide range of eligible housing and community development activities. |

| Program | Source of Funds | Uses of Funds | Expected Amount Available Year 1 | | | | Expected Amount Available Remainder of ConPlan \$ | Narrative Description |
|---------|------------------|---|----------------------------------|--------------------|--------------------------|----------------|---|---|
| | | | Annual Allocation: \$ | Program Income: \$ | Prior Year Resources: \$ | Total: \$ | | |
| HOME | public - federal | Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA | \$664,918 | \$0 | \$1,128,255.67 | \$1,626,944.17 | \$2,659,672 | A HUD formula-based program that annually allocates funds to support affordable housing programs. |
| CDBG-CV | public - federal | Other | \$.20 | 0 | \$286,200 | \$286,200.20 | 0 | To prevent, prepare for and respond to Coronavirus. |

Table 34 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

The City recognizes that the City's annual entitlement and formula allocations are not sufficient to meet all of its needs, and that leveraging resources is critical to achieving the City's goals. The City continues to cultivate funding partners who can match the City's investment of CDBG and HOME funds. The need remains great, and additional funds are sought to ensure that more affordable housing and important programs and activities are available for those in need. To that end the City seeks funds from the State and grants from other entities, both public and private.



If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

There is currently no publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan.

Discussion

The City, in collaboration with existing and potential CHDOs are working to identify potential projects and plan to meet new expenditure deadlines as established by HUD.

Also, the City of South Gate anticipates a 100% HOME Match reduction for FY 20-21 as in past years. HOME match reductions are due to areas of fiscal distress, severe fiscal distress, and Presidential disaster declarations as designated by HUD.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives

Goals Summary Information

| Sort Order | Goal Name | Start Year | End Year | Category | Geographic Area | Needs Addressed | Funding | Goal Outcome Indicator |
|------------|------------------------------------|------------|----------|-----------------------------------|-----------------|--|--|--|
| 1 | Administration | 2020 | 2021 | Administration | Citywide | Planning and Administration | CDBG: \$273,430 HOME: \$166,229 | Other: 0 Other |
| 2 | Fair Housing | 2020 | 2021 | Administration | Citywide | Ensure equal access to housing opportunities | CDBG: \$24,000 HOME: \$0 | Other: 270 Other |
| 3 | Housing | 2020 | 2021 | Affordable Housing | Citywide | Preserve the supply of affordable housing | CDBG: \$100,000 HOME: \$750,000 | Homeowner Housing Rehabilitated: 20 Households/ Housing Units; |
| 4 | Commercial Rehabilitation | 2020 | 2021 | Non-Housing Community Development | Citywide | Commercial Rehabilitation | CDBG: \$260,000 | Businesses assisted: 14 Businesses Assisted |
| 5 | Infrastructure and Public Facility | 2020 | 2021 | Non-Housing Community Development | Citywide | Infrastructure and Public Facilities | CDBG: \$140,000 | Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: |

| Sort Order | Goal Name | Start Year | End Year | Category | Geographic Area | Needs Addressed | Funding | Goal Outcome Indicator |
|------------|-----------------|------------|----------|-----------------------------------|-----------------|--|--|---|
| 6 | Public Services | 2020 | 2021 | Non-Housing Community Development | Citywide | Provide public services for low income residents | CDBG: \$1,626,581 CDBG-CV: \$0.20 HOME: \$0 | Public service activities other than Low/Moderate Income Housing Benefit: 875 Persons Assisted |

Table 35 – Goals Summary

Goal Descriptions



| | | |
|---|-------------------------|---|
| 1 | Goal Name | Administration |
| | Goal Description | Provide planning and administrative services. |
| 2 | Goal Name | Fair Housing |
| | Goal Description | Promote fair housing. |
| 3 | Goal Name | Housing |
| | Goal Description | Promote and maintain affordable housing options |
| 4 | Goal Name | Commercial Rehabilitation |
| | Goal Description | Provide financial assistance for the rehabilitation of commercial facade improvements. |
| 5 | Goal Name | Infrastructure and Public Facility |
| | Goal Description | Provide funding projects such as: Street Lighting, water, sewer, street, alley, and sidewalk improvements. Park Improvements. Retrofitting public facilities to meet the Americans with Disabilities Act (ADA) and comparable State law. |
| 6 | Goal Name | Public Services |
| | Goal Description | Expand and improve the quality and quantity of public service programs. |

Projects

AP-35 Projects – 91.220(d)

Introduction

To address the priority needs identified in the 2020-2025 Consolidated Plan, the City of South Gate will invest CDBG and HOME funds in projects that preserve affordable housing, provide fair housing services, provide services to low-and moderate-income residents, provide services to residents with special needs, prevent homelessness, preserve neighborhoods, improve public facilities and infrastructure and facilitate the creation or retention of small businesses. Together, these projects will address the housing, community and economic development needs of South Gate residents.

The 2020-2021 Annual Plan sets forth a description of activities for the use of funds that will become available during the coming federal fiscal year, determines goals for individuals and households to be served, and describes the implementation plan and geographic location of the activities to be undertaken.

Projects

| # | Project Name |
|----|---|
| 1 | CDBG ADMINISTRATION |
| 2 | FAIR HOUSING FOUNDATION |
| 3 | REHABILITATION ADMINISTRATION (Activity Delivery Costs) |
| 4 | TWEEDY MILE ASSOCIATION |
| 5 | COMMERCIAL FACADE IMPROVEMENT |
| 6 | GRAFFITI ABATEMENT |
| 7 | SALVATION ARMY BELL SHELTER |
| 8 | FAMILY VIOLENCE PREVENTION AND EDUCATION PROGRAM |
| 9 | POLICE EXPLORERS |
| 10 | HELPLINE YOUTH COUNSELING |
| 11 | SOUTHERN CALIFORNIA REHABILITATION SERVICES |
| 12 | MENTAL HEALTH SERVICES |
| 13 | FOOD INSECURITY PROGRAM |
| 14 | SMALL BUSINESS PROGRAM |
| 15 | YOUTH EMPLOYMENT PROGRAM |
| 16 | RENT UTILITY ASSISTANCE |
| 17 | WORKFORCE DEVELOPMENT PROGRAM |
| 18 | ILLEGAL DUMPING PROGRAM |
| 19 | SENIOR FOOD DISTRIBUTION |

| # | Project Name |
|----|--|
| 20 | HOME PROGRAM ADMINISTRATION |
| 21 | RESIDENTIAL REHABILITATION PROGRAM |
| 22 | HOME - CHDO |
| 23 | FIRST TIME HOMEBUYERS PROGRAM |
| 24 | PREDEVELOPMENT-NEW AFFORDABLE HOUSING PROJRECT |

Table 36 - Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

The primary obstacles to meeting the underserved needs of low-and moderate-income people include lack of funding from federal, state and other local sources, the high cost of housing that is not affordable to low-and moderate-income people and the lack of availability of home improvement financing in the private lending industry. To address these obstacles, the City is investing CDBG and HOME funds through the 2020-2021 Action Plan in projects that provide deferred loans to low-and moderate-income homeowners for home improvements, projects that provide public and neighborhood services to low-and moderate-income people and those with special needs, and projects that prevent homelessness. To address underserved needs, the City is allocating 100 percent of its non-administrative CDBG and HOME investments for program year 2020-2021 to projects and activities that benefit low-and moderate-income people.

AP-38 Project Summary
Project Summary Information



| | | |
|---|--|---|
| 1 | Project Name | CDBG ADMINISTRATION |
| | Target Area | Citywide |
| | Goals Supported | Administration |
| | Needs Addressed | Planning and Administration |
| | Funding | CDBG: \$273,430 |
| | Description | The City of South Gate receives Community Development Block Grant funds to administer, design, implement and plan eligible CDBG activities. |
| | Target Date | 6/30/2021 |
| | Estimate the number and type of families that will benefit from the proposed activities | The entire Community will benefit from the City's Administration of the CDBG Grant, though the direct beneficiaries of each funded activity will be primarily low- and moderate-income residents. |
| | Location Description | Citywide |
| | Planned Activities | The City of South Gate receives Community Development Block Grant funds to administer, design, implement and plan eligible CDBG activities. |
| 2 | Project Name | FAIR HOUSING FOUNDATION |
| | Target Area | Citywide |
| | Goals Supported | Fair Housing |
| | Needs Addressed | Ensure equal access to housing opportunities |
| | Funding | CDBG: \$24,000 |
| | Description | The Fair Housing Foundation administers a comprehensive program that includes: 1) discrimination complaint intake and investigation; 2) outreach and education; 3) general housing (landlord/tenant counseling; and 4) enforcement and impact litigation. |
| | Target Date | 6/30/2021 |
| | Estimate the number and type of families that will benefit from the proposed activities | 270 households |
| | Location Description | Citywide |

| | | |
|---|--|---|
| | Planned Activities | The Fair Housing Foundation administers a comprehensive program that includes: 1) discrimination complaint intake and investigation; 2) outreach and education; 3) general housing (landlord/tenant counseling; and 4) enforcement and impact litigation. |
| 3 | Project Name | REHABILITATION ADMINISTRATION (Activity Delivery Costs) |
| | Target Area | Citywide |
| | Goals Supported | Housing |
| | Needs Addressed | Preserve the supply of affordable housing |
| | Funding | CDBG: \$100,000 |
| | Description | CDBG funds will be used for delivery costs (including staff, other direct costs, and service costs) directly related to carrying out HOME housing rehabilitation activities. These CDBG funds will not be used for the costs of actual rehabilitation and will not be used for costs unrelated to running a rehabilitation program. |
| | Target Date | 6/30/2021 |
| | Estimate the number and type of families that will benefit from the proposed activities | N/A |
| | Location Description | The Residential Rehabilitation Program is administered by the Community Development Department located at 8650 California Avenue, South Gate, CA 90280. |
| | Planned Activities | CDBG funds will be used for delivery costs (including staff, other direct costs, and service costs) directly related to carrying out HOME housing rehabilitation activities. These CDBG funds will not be used for the costs of actual rehabilitation and will not be used for costs unrelated to running a rehabilitation program. |
| 4 | Project Name | TWEEDY MILE ASSOCIATION |
| | Target Area | Citywide |
| | Goals Supported | Commercial Rehabilitation |
| | Needs Addressed | Commercial Rehabilitation |
| | Funding | CDBG: \$60,000 |
| | Description | This program will provide local businesses with funds for improvements such as window repair or replacement. |

| | | |
|---|--|--|
| | Target Date | 6/30/2021 |
| | Estimate the number and type of families that will benefit from the proposed activities | 10 businesses |
| | Location Description | The Program is administered by the Tweedy Mile Association located at 3470 Tweedy Avenue, South Gate, CA 90280. |
| | Planned Activities | This program will provide local businesses with funds for façade improvements such as window and awning repair or replacement. |
| 5 | Project Name | COMMERCIAL FACADE IMPROVEMENT |
| | Target Area | Citywide |
| | Goals Supported | Commercial Rehabilitation |
| | Needs Addressed | Commercial Rehabilitation |
| | Funding | CDBG: \$200,000 |
| | Description | Commercial Facade Improvement (CFI) program will offer a grant of up to \$50,000 to existing or new business owners to make exterior commercial improvements. |
| | Target Date | 6/30/2021 |
| | Estimate the number and type of families that will benefit from the proposed activities | 4 businesses |
| | Location Description | The Program is administered by the Community Development Department located at 8650 California Avenue, South Gate, CA 90280. |
| | Planned Activities | Commercial Façade Improvement (CFI) program will offer a grant of up to \$50,000 to existing or new business owners to make exterior commercial façade improvements. |
| 6 | Project Name | GRAFFITI ABATEMENT |
| | Target Area | Citywide |
| | Goals Supported | Infrastructure and Public Facility |
| | Needs Addressed | Infrastructure and Public Facilities |
| | Funding | CDBG: \$140,000 |

| | | |
|----------|--|---|
| | Description | The Graffiti Abatement Program operates in CDBG low- and moderate-income service areas throughout the city to remove graffiti from hardscape areas such as walls, sidewalks, street furniture, poles and signs. Funds pay for labor, supplies and material. |
| | Target Date | 6/30/2021 |
| | Estimate the number and type of families that will benefit from the proposed activities | 19 census tracts |
| | Location Description | The Activity is administered by the Public Works Department located at 8650 California Avenue, South Gate, CA 90280. |
| | Planned Activities | The Graffiti Abatement Program operates in CDBG low- and-moderate-income service areas throughout the city to remove graffiti from hardscape areas such as walls, sidewalks, street furniture, poles and signs. Funds pay for labor, supplies and material. |
| 7 | Project Name | SALVATION ARMY BELL SHELTER |
| | Target Area | Citywide |
| | Goals Supported | Public Services |
| | Needs Addressed | Provide public services for low income residents |
| | Funding | CDBG: \$22,500 |
| | Description | Provide emergency shelter for residents who are experiencing homelessness. |
| | Target Date | 6/30/2021 |
| | Estimate the number and type of families that will benefit from the proposed activities | 12 people |
| | Location Description | This Program is administered by the Salvation Army located at 5600 Rickenbacker Road #2A, Bell, CA 90057. |
| | Planned Activities | Provide emergency shelter for residents who are experiencing homelessness. |
| 8 | Project Name | FAMILY VIOLENCE PREVENTION AND EDUCATION PROGRAM |
| | Target Area | Citywide |
| | Goals Supported | Public Services |

| | | |
|---|--|--|
| | Needs Addressed | Provide public services for low income residents |
| | Funding | CDBG: \$140,000 |
| | Description | The Family Violence Prevention and Education Program will offer empowerment workshops and individual counseling sessions to battered spouses and family members. In addition, the program promotes awareness and education on sexual assault and family violence throughout the community. |
| | Target Date | 6/30/2021 |
| | Estimate the number and type of families that will benefit from the proposed activities | 125 people |
| | Location Description | The Program is administered by the Police Department located at 8620 California Avenue, South Gate, CA 90280. |
| | Planned Activities | The Family Violence Prevention and Education Program will offer empowerment workshops and individual counseling sessions to battered spouses and family members. In addition, the program promotes awareness and education on sexual assault and family violence throughout the community. |
| 9 | Project Name | POLICE EXPLORERS |
| | Target Area | Citywide |
| | Goals Supported | Public Services |
| | Needs Addressed | Provide public services for low income residents |
| | Funding | CDBG: \$25,000 |
| | Description | The South Gate Police Explorers Program will provide training and orientation to young adults (ages 14-21), where 51% of whom are low- or moderate-income, who are interested in pursuing a career in law enforcement. |
| | Target Date | 6/30/2021 |
| | Estimate the number and type of families that will benefit from the proposed activities | 25 youth |
| | Location Description | The Program is administered by the Police Department located at 8620 California Avenue, South Gate, CA 90280 |

| | | |
|----|--|--|
| | Planned Activities | The South Gate Police Explorers Program will provide training and orientation to young adults (ages 14-21), where 51% of whom are low- or moderate-income, who are interested in pursuing a career in law enforcement. |
| 10 | Project Name | HELPLINE YOUTH COUNSELING |
| | Target Area | Citywide |
| | Goals Supported | Public Services |
| | Needs Addressed | Provide public services for low income residents |
| | Funding | CDBG: \$22,500 |
| | Description | Helpline Youth Counseling assist low-to-moderate income City of South Gate households at risk of experiencing homelessness and helps them achieve & maintain housing stability. Services provided are Homelessness Prevention Activities: income payments for low-income eligible residents, case management, and Rapid Re-Housing Activities. |
| | Target Date | 6/30/2021 |
| | Estimate the number and type of families that will benefit from the proposed activities | 14 households |
| | Location Description | The Program is administered by Helpline Youth Counseling located at 14181 Telegraph Rd., Whittier, CA 90604. |
| | Planned Activities | Helpline Youth Counseling assist low-to-moderate income City of South Gate households at risk of experiencing homelessness and helps them achieve & maintain housing stability. Services provided are Homelessness Prevention Activities: income payments for low-income eligible residents, case management, and Rapid Re-Housing Activities. |
| 11 | Project Name | SOUTHERN CALIFORNIA REHABILITATION SERVICES |
| | Target Area | Citywide |
| | Goals Supported | Public Services |
| | Needs Addressed | Provide public services for low income residents |
| | Funding | CDBG: \$8,000 |
| | Description | Will provide home modifications, durable medical equipment and technology devices to South Gate residents with disabilities. |
| | Target Date | 6/30/2021 |

| | | |
|----|--|---|
| | Estimate the number and type of families that will benefit from the proposed activities | 17 people |
| | Location Description | This Program is administered by the Southern California Rehabilitation Services, Inc. located at 7830 Quill Drive, Suite D, Downey, CA 90242. |
| | Planned Activities | Will provide home modifications, durable medical equipment and technology devices to South Gate residents with disabilities. |
| 12 | Project Name | MENTAL HEALTH SERVICES-COMPATOR |
| | Target Area | Citywide |
| | Goals Supported | Public Services |
| | Needs Addressed | Provide public services for low income residents |
| | Funding | CDBG: \$325,000 |
| | Description | Compator provides counseling, mentoring and substance use disorder educational services to juveniles and young adults who are disadvantaged and at risk for substance abuse and criminal lives. |
| | Target Date | 6/30/2021 |
| | Estimate the number and type of families that will benefit from the proposed activities | 250 people |
| | Location Description | The Program is administered by Compator Counseling Center located at 4363 Tweedy Blvd, South Gate, CA 90280 |
| | Planned Activities | Compator provides counseling, mentoring and substance use disorder educational services to juveniles and young adults who are disadvantaged and at risk for substance abuse and criminal lives. |
| 13 | Project Name | FOOD INSECURITY PROGRAM |
| | Target Area | Citywide |
| | Goals Supported | Provide public services for low income residents |
| | Needs Addressed | Provide public services for low income residents |
| | Funding | CDBG: \$364,500 |
| | Description | The Food Insecurity Program will provide eligible households with either vouchers to a local grocery/market or household goods to increase the household food stability. |

| | | |
|----|--|--|
| | Target Date | 6/30/2021 |
| | Estimate the number and type of families that will benefit from the proposed activities | 250 households |
| | Location Description | City Wide |
| | Planned Activities | The Food Insecurity Program will provide eligible households with either vouchers to a local grocery/market or household goods to increase the household food stability. |
| 14 | Project Name | SMALL BUSINESS PROGRAM |
| | Target Area | City Wide |
| | Goals Supported | Economic Development |
| | Needs Addressed | Economic Development |
| | Funding | CDBG: \$300,000 |
| | Description | The small business program provides local businesses grants to support their operations and assist in local job retention. |
| | Target Date | 6/30/2021 |
| | Estimate the number and type of families that will benefit from the proposed activities | 20 businesses |
| | Location Description | City Wide |
| | Planned Activities | The small business program provides local businesses grants to support their operations and assist in local job retention. |
| 15 | Project Name | YOUTH EMPLOYMENT PROGRAM |
| | Target Area | City Wide |
| | Goals Supported | Economic Development |
| | Needs Addressed | Economic Development |
| | Funding | CDBG: \$157,500 |
| | Description | The youth employment program will offer youth career exploration and pair work experience opportunities to increase their workforce development skills. |
| | Target Date | 6/30/2021 |

| | | |
|----|--|---|
| | Estimate the number and type of families that will benefit from the proposed activities | 50 youth |
| | Location Description | City Wide |
| | Planned Activities | The youth employment program will offer youth career exploration and pair work experience opportunities to increase their workforce development skills. |
| 16 | Project Name | RENT UTILITY ASSISTANCE |
| | Target Area | City Wide |
| | Goals Supported | Public Services |
| | Needs Addressed | Provide public services for low income residents |
| | Funding | CDBG: \$175,000 |
| | Description | This program offers financial assistance to eligible low-income households for utility assistance. |
| | Target Date | 6/30/2021 |
| | Estimate the number and type of families that will benefit from the proposed activities | 100 people |
| | Location Description | City Wide |
| | Planned Activities | This program offers financial assistance to eligible low-income households for utility assistance. |
| 17 | Project Name | WORKFORCE DEVELOPMENT PROGRAM |
| | Target Area | City Wide |
| | Goals Supported | Public Services |
| | Needs Addressed | Public Services |
| | Funding | CDBG: \$50,000 |
| | Description | Participants engage in a series of workforce development workshops to help them gain and increase their employability skills. Participants will also receive case management assistance to secure employment. |
| | Target Date | 6/30/2021 |

| | | |
|----|--|--|
| | Estimate the number and type of families that will benefit from the proposed activities | 35 people |
| | Location Description | City Wide |
| | Planned Activities | Participants engage in a series of workforce development workshops to help them gain and increase their employability skills. Participants will also receive case management assistance to secure employment. |
| 20 | Project Name | ILLEGAL DUMPING PROGRAM |
| | Target Area | City Wide |
| | Goals Supported | Public Service |
| | Needs Addressed | Public Service |
| | Funding | CDBG: \$36,581 |
| | Description | Participants will be hired to participate in a work training program focused on clearing out and cleaning up illegal dumping in the City. The program will hire local residents to participate in the program. |
| | Target Date | 6/30/2021 |
| | Estimate the number and type of families that will benefit from the proposed activities | 10 people |
| | Location Description | City Wide |
| | Planned Activities | Participants will be hired to participate in a work training program focused on clearing out and cleaning up illegal dumping in the City. The program will hire local residents to participate in the program. |
| 19 | Project Name | SENIOR FOOD DISTRIBUTION |
| | Target Area | Citywide |
| | Goals Supported | Support special needs programs and services |
| | Needs Addressed | Support special needs programs and services |
| | Funding | CDBG-CV: \$.20 |

| | | |
|----|--|---|
| | Description | The Senior Food & Food Distribution program will assist senior South Gate residents by providing them with emergency food and nutrition assistance. It should be noted that \$286,000 of CDBG -CV was included in the 18/19 substantial amendment and the amount is being revised in this document to add .20 of remaining CDBG-CV funds. Total amount programmed for this activity is \$286,200.20 |
| | Target Date | 6/30/2021 |
| | Estimate the number and type of families that will benefit from the proposed activities | 300 seniors |
| | Location Description | City Wide |
| | Planned Activities | The Senior Food & Food Distribution program will assist senior South Gate residents by providing them with emergency food and nutrition assistance. |
| 20 | Project Name | HOME PROGRAM ADMINISTRATION |
| | Target Area | Citywide |
| | Goals Supported | Administration |
| | Needs Addressed | Planning and Administration |
| | Funding | HOME: \$166,229 |
| | Description | The entire Community will benefit from the City's Administration of the HOME Grant, though the direct beneficiaries of each funded activity will be primarily low- and moderate-income residents. |
| | Target Date | 6/30/2021 |
| | Estimate the number and type of families that will benefit from the proposed activities | n/a |
| | Location Description | The HOME grant is administered by the Community Development Department located at 8650 California Avenue, South Gate, CA 90280 |
| | Planned Activities | The entire Community will benefit from the City's Administration of the HOME Grant, though the direct beneficiaries of each funded activity will be primarily low- and moderate-income residents. |
| 21 | Project Name | RESIDENTIAL REHABILITATION PROGRAM |
| | Target Area | Citywide |

| | | |
|-----------|--|---|
| | Goals Supported | Housing |
| | Needs Addressed | Preserve the supply of affordable housing |
| | Funding | HOME: \$750,000 |
| | Description | This program provides deferred loans to qualified homeowners for rehab on their properties. The loan is due and payable when title is transferred, or property is refinanced or sold. The property must be brought up to certain housing standards as part of the rehab assistance. The property must be owner-occupied and may have up to four units. Qualified households must have an annual income at or less that 80% of the area median income. |
| | Target Date | 6/30/2021 |
| | Estimate the number and type of families that will benefit from the proposed activities | 10 projects |
| | Location Description | The Rehabilitation Program is administered by the Community Development Department located at 8650 California Avenue, South Gate, CA 90280. |
| | Planned Activities | This program provides deferred loans to qualified homeowners for rehab on their properties. The loan is due and payable when title is transferred, or property is refinanced or sold. The property must be brought up to certain housing standards as part of the rehab assistance. The property must be owner-occupied and may have up to four units. Qualified households must have an annual income at or less that 80% of the area median income. |
| 22 | Project Name | HOME - CHDO |
| | Target Area | Citywide |
| | Goals Supported | Housing |
| | Needs Addressed | Preserve the supply of affordable housing |
| | Funding | HOME: \$99,737 |

| | | |
|----|--|--|
| | Description | At least 15 percent of HOME Investment Partnerships Program (HOME) funds must be set aside for specific activities to be undertaken by a special type of nonprofit called a Community Housing Development Organization (CHDO). A CHDO is a private nonprofit, community-based organization that has staff with the capacity to develop affordable housing for the community it serves. In order to qualify for designation as a CHDO, the organization must meet certain requirements pertaining to their legal status, organizational structure, and capacity and experience. |
| | Target Date | 6/30/2021 |
| | Estimate the number and type of families that will benefit from the proposed activities | 4 households |
| | Location Description | City wide |
| | Planned Activities | At least 15 percent of HOME Investment Partnerships Program (HOME) funds must be set aside for specific activities to be undertaken by a special type of nonprofit called a Community Housing Development Organization (CHDO). A CHDO is a private nonprofit, community-based organization that has staff with the capacity to develop affordable housing for the community it serves. In order to qualify for designation as a CHDO, the organization must meet certain requirements pertaining to their legal status, organizational structure, and capacity and experience. |
| 23 | Project Name | FIRST TIME HOMEBUYER PROGRAM |
| | Target Area | Citywide |
| | Goals Supported | Housing |
| | Needs Addressed | Preserve the supply of affordable housing |
| | Funding | HOME: \$300,000 |
| | Description | The first-time homebuyer program will provide grants to eligible participants to assist them with costs of buying a home in the City. |
| | Target Date | 6/30/2021 |
| | Estimate the number and type of families that will benefit from the proposed activities | 7 people |

| | | |
|----|--|---|
| | Location Description | Citywide |
| | Planned Activities | The first-time homebuyer program will provide grants to eligible participants to assist them with costs of buying a home in the City. |
| 24 | Project Name | PREDEVELOPMENT-NEW AFFORDABLE HOUSING PROGRJECT |
| | Target Area | Citywide |
| | Goals Supported | Housing |
| | Needs Addressed | Preserve the supply of affordable housing |
| | Funding | HOME: \$307,967.67 |
| | Description | To maintain affordable housing in the City, these funds will be used towards predevelopment for new affordable housing options. |
| | Target Date | 6/30/2021 |
| | Estimate the number and type of families that will benefit from the proposed activities | 5 households |
| | Location Description | Citywide |
| | Planned Activities | To maintain affordable housing in the City, these funds will be used towards predevelopment for new affordable housing options. |

AP-50 Geographic Distribution – 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

HUD-funded activities are limited to the City's low-and moderate-income areas, which encompass the majority of the City's residential areas. Areas of the City outside of the CDBG low-and moderate-income areas will benefit from activities that are limited-clientele in nature, i.e., a person/household can benefit from a federally assisted program provided they meet the program's eligibility criteria. Eligibility is typically established by household income and household size.

CDBG program funds will be expended based on program criteria. For example, public services are available on a citywide basis for qualified beneficiaries; fair housing and program administration activities will also be carried out on a citywide basis. Code enforcement and community development projects (i.e. street and park improvement projects) will be carried out in the City's low and moderate-income areas; i.e., areas of the City where the majority of residents meet HUD's low and moderate-income definition.

HOME funds will be utilized to support housing acquisition and rehabilitation activities for low-income tenants and homeowners. To qualify for these funds an evaluation of household income will be undertaken.

Geographic Distribution

| Target Area | Percentage of Funds |
|--------------------|----------------------------|
| Citywide | 100 |

Table 37 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

As previously stated, the assignment of priority levels is primarily a result of input from public and private agencies responding to the City's Housing and Community Development Needs Survey, consultation interviews, and statistical data compiled from the Needs Assessment.

The City will evaluate each eligible project and program based on urgency of needs, availability of other funding sources and financial feasibility. Only eligible activities that received a High, Medium or Low

priority levels in the Consolidated Plan may be funded during the next five years.

Discussion

The City anticipates spending at least 70 percent of its entitlement funds in target areas, including areas that have low-and moderate-income concentrations or minority concentrations.

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

As noted earlier, the most important impediment to affordable housing revolves around the lack of federal and state resources for affordable housing initiatives. The lack of programs and resources to reduce excessive rent or mortgage burdens to qualified persons is a key factor.

Another barrier to affordable housing in South Gate is the high cost of housing created by a demand for housing, both existing and new, which exceeds the current supply. Despite the recent downturn in the housing market nationally, housing prices, both purchase and rental, remain high, especially for lower income households.

In addition, both the cost of site acquisition and development costs are very high. These facts make housing construction expensive and put affordable housing out of the reach of low-income households.

As stated, there are limited opportunities and funding available to provide affordable housing opportunities. The City will attempt to seek new partnerships in the upcoming year. During PY 2020-2021 the City will address affordable housing needs through the following programs:

Housing Choice Voucher Program: The City will continue to provide rental assistance to extremely low- and low-income households through the South Gate Housing Authority's Housing Choice Voucher Program. Renter-households will be assisted, which will include elderly, single-parent, and disabled special needs households. However, these are not counted toward the affordable housing goals.

Fair Housing Program: In addition, the City's Fair Housing Program is administered by the Fair Housing Foundation, who will provide fair housing services and landlord/tenant information to all residents who request counseling, resource referral, complaint investigation, and public education on all forms of housing discrimination. Renter-households will be assisted, which will include elderly, single-parent, and disabled special needs households. However, these are not counted toward the affordable housing goals.

Homeowner Rehabilitation Program: This program provides deferred loans to qualified homeowners for rehabilitation on their properties. The property must be brought up to certain housing standards as part of the rehabilitation assistance. The program expects to assist 6 households this program year.

First Time Homebuyer Downpayment Assistance: This program makes HOME program funds available in the form of forgivable loans for down payment, principal reduction, and closing costs associated with the purchase of a home.

Acquisition and Development of Affordable Housing: Funds will support the acquisition, new

construction or rehabilitation of single-family homes; to support the acquisition of dilapidated multi-family properties to increase the availability of affordable rental housing.

| One Year Goals for the Number of Households to be Supported | |
|--|---|
| Homeless | 0 |
| Non-Homeless | 0 |
| Special-Needs | 0 |
| Total | 0 |

Table 38 - One Year Goals for Affordable Housing by Support Requirement

| One Year Goals for the Number of Households Supported Through | |
|--|---|
| Rental Assistance | 0 |
| The Production of New Units | 0 |
| Rehab of Existing Units | 6 |
| Acquisition of Existing Units | 0 |
| Total | 6 |

Table 39 - One Year Goals for Affordable Housing by Support Type

Discussion

The Consolidated Plan identifies a high priority need to expand the supply of affordable housing and a high priority need to preserve the supply of affordable housing. During the 2020-2021 program year, the City will invest CDBG and HOME funds in the preservation of affordable housing units. Specifically, CDBG and HOME funds will be used to support affordable housing preservation projects including the City of South Gate’s Residential Rehabilitation Program and Minor Home Improvement Program.

AP-60 Public Housing – 91.220(h)

Introduction

The South Gate Housing Authority administers over 600 Housing Choice Vouchers (HCV) and does not own or operate any public housing units. The South Gate Housing Authority was consulted during this consolidated planning process. It is the intention of the Authority to continue to provide safe, attractive affordable housing to its HCV clients.

Actions planned during the next year to address the needs to public housing

Not Applicable - The City does not have public housing.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

Not Applicable - The City does not have public housing.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

Not Applicable

Discussion

None.

AP-65 Homeless and Other Special Needs Activities – 91.220(i)

Introduction

The City is located within the Los Angeles Homeless Services Authority (LAHSA) Continuum. The continuum provides oversight of federal homeless assistance dollars and collaborates with local communities to provide the best service to our residents who are homeless. The Los Angeles Continuum conducts quarterly community meetings and the public is invited. However, in 2015, HUD informed the City that it will no longer receive Emergency Solutions Grant funds due to formula threshold changes. With the loss of ESG funding, the City will have a difficult time addressing the needs of the homeless. During PY 2020, the City is awarding the Bell Shelter and Helpline Youth Counseling CDBG funds. These agencies will assist low-to-moderate income City of South Gate households at risk of experiencing homelessness and helps them achieve & maintain housing stability. Services provided are Homelessness Prevention Activities: income payments for low-income eligible residents, case management, and Rapid Re-Housing Activities including emergency shelter for residents who are experiencing homelessness. The City has programmed additional funding. This funding will become available to agencies requiring assistance to address the needs of the homeless or individuals at risk of becoming homeless.

Homelessness affects many people from all social, economic, and racial backgrounds. The causes of homelessness are varied and include loss of employment, mental illness, substance abuse, a health crisis, domestic violence, foreclosure, limited income (such as SSI, for elderly and people with disabilities which prevent them from aging in place due to high cost of living) and loss of familial support. Individuals or families that are homeless have a variety of special needs, including emergency shelter, counseling, job training, transitional housing, and permanent supportive housing. The long-term housing needs are for transitional housing and permanent supportive housing.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The City of South Gate also participates quarterly in the Southern California Council of Governments (SCAG) committee that is comprised of LAHSA, Helpline Youth Counseling and other local stakeholders and homeless advocates. During meetings, the committee provides updates and provides information on their current needs of their clients. Usually the outcome includes multiple agencies teaming up to meet

the needs of those said clients.

Addressing the emergency shelter and transitional housing needs of homeless persons

During PY 2020, the City is awarding the Bell Shelter and Helpline Youth Counseling CDBG funds. These agencies will assist low-to-moderate income City of South Gate households at risk of experiencing homelessness and helps them achieve & maintain housing stability. Services provided are Homelessness Prevention Activities: income payments for low-income eligible residents, case management, and Rapid Re-Housing Activities including emergency shelter for residents who are experiencing homelessness.

Locally, the Salvation Army Bell Shelter operates a comprehensive program that offers transitional care for up to 350 homeless men and women. The goal of the Bell Shelter is to meet the needs of the homeless population by addressing the myriad of reasons why people become homeless and assisting them in developing a higher quality of life through independence. Services offered include: emergency shelter, transitional housing, substance abuse rehabilitation, case management, counseling, on-site health care & medical referrals, HIV/AIDS education, ESL classes, computer training, vocational assistance, job referrals and life skills classes.

The South Gate Domestic Violence Education and Prevention program administered by the South Gate Police Department provides shelter, court advocacy, counseling, 24-hour hotline, crisis intervention, support groups and case management to domestic and sexual abuse victims.

The City has programmed additional funding. This funding will become available to agencies requiring assistance to address the needs of the homeless or individuals at risk of becoming homeless.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

There are a variety of service providers in South Gate that assist low income individuals and families. These providers ensure that they are meeting the needs of the community to the best of their abilities.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded

institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

There are a variety of agencies in the region that provide housing options and case management assistance including those returning from mental and physical health institutions. They provide the option of living independently in a group setting. They are:

- **Rio Hondo Temporary Home, Norwalk** – Provides emergency food and transitional shelter for families with children in the Cerritos, Downey, La Mirada, Montebello, Norwalk, Pico Rivera, Santa Fe Springs and Whittier areas. There are no geographical restrictions for residents.
- **Santa Fe Springs Transitional Living Center, Whittier** – Provides shelter for homeless families in transition, most of whom are single parents or victims of domestic violence and substance abuse, in Los Angeles County.
- **Hospitality Housing, Whittier** – Provides homeless support services for single adults 18 years and older and families with children.
- **Birch Grove Homes, Norwalk** - Provides supportive services to 20 persons in an existing permanent housing program for persons with mental health disabilities.
- **Community Housing Options, scattered sites** - Provides permanent supportive housing to homeless persons and families living with HIV/AIDS or dual diagnoses.
- **Denker House/Harvest House, scattered sites** - Provides supportive services in an existing permanent housing program for persons with disabilities.
- **Homes for Life Foundation, Norwalk** - Provides permanent housing to eight persons with mental health disabilities in eight one-bedroom apartment style units.
- **Su Casa Domestic Violence Network, Lakewood** - Provides crisis intervention service for domestic violence victims and their children, for a maximum of 30 consecutive days.
- **Salvation Army, Bell Shelter** – Provides emergency shelter services and transitional care for up to 350 homeless men and women.
- **The Southern California Rehabilitation Services** – An independent living resource center in Downey offers programs to eligible South Gate residents that provide people with the tools to learn how to live independently including cooking, budgeting, reading and finding employment. They also offer disability assistance for improvements on homes for people with disabilities.

Discussion

Continuing in 2020, the City will assist low income, special needs and homeless with the Public Service Category of funding to local non-profits. The eligible activities include but are not limited to employment services (e.g. job training), crime prevention and public safety, child care, health services, substance abuse

services (e.g., counseling and treatment), fair housing counseling, education programs, services for senior citizens and services for homeless persons. The Salvation Army, for example, will provide food and emergency or transitional housing to men, women, or families in need and Helpline Youth Counseling will provide counseling and assistance to at-risk, low income children, youth and their families to help eliminate barriers and create opportunities to those in need.

AP-75 Barriers to affordable housing – 91.220(j)

Introduction:

The impact on housing affordability disproportionately affects those who are lower income. HUD considers a housing unit affordable if the occupant household expends no more than 30% of its income on housing cost. In the situation where the household expends greater than 30% of its income on housing cost, the household is considered cost burdened. Cost burdened households have less financial resources to meet other basic needs (food, clothing, transportation, medical, etc.), less resources to properly maintain the housing structure, and are at greater risk for foreclosure or eviction.

Recent sales data for South Gate shows that housing prices continue to increase, while household incomes have failed to keep pace with home prices. There are also other factors that create barriers to affordable housing growth. The barriers that typically affect housing costs are as follows:

- Lack of developable land and/or where development is due to zoning.
- Cost of developable land and construction.
- Credit worthiness of potential buyers for homeownership.
- Social opinions discouraging affordable development in particular neighborhoods (“Not in My Backyard NIMBY”).
- Lack of responsible landlords for maintaining safe and clean-living conditions.
- Credit worthiness of potential renters.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

The City adopted General Plan 2035 in 2009. As part of the General Plan update, a new concept in dealing with land use and development standards was introduced. Unlike traditional Euclidean land use and zoning system, the proposed South Gate General Plan uses a “form based” system to determine location and intensity of uses.

The new Zoning Ordinance update was adopted in March 2015. The City’s current estimated number of dwelling units is about 24,242 units. The Zoning Update has created density and development standards to accommodate an estimated growth of over 4,538 units over the next 25 years. This growth rate of

additional units will help alleviate the projected population and issues of affordability.

AP-85 Other Actions – 91.220(k)

Introduction:

Despite efforts made by the City and social service providers, a number of significant obstacles to meeting underserved resident needs remain. With funding resources being scarce, funding becomes the greatest obstacle for the City of South Gate to meet its underserved needs. Insufficient funding results in limits to the availability of services many worthy public service programs, activities and agencies provide.

Actions planned to address obstacles to meeting underserved needs

The primary obstacles to meeting the underserved needs of low-and moderate-income people include lack of funding from federal, state and other local sources, the high cost of housing that is not affordable to low-and moderate-income people and the lack of availability of home improvement financing in the private lending industry. To address these obstacles, the City is investing CDBG and HOME funds through the 2020-2021 Action Plan in projects that provide deferred loans to low-and moderate-income homeowners for home improvements, creating a down payment assistance program, projects that provide public and neighborhood services to low-and moderate-income people and those with special needs, and projects that prevent homelessness. To address underserved needs, the City is allocating 100 percent of its non-administrative CDBG and HOME investments for program year 2020-2021 to projects and activities that benefit low-and moderate-income people.

Actions planned to foster and maintain affordable housing

The City has been active in providing affordable housing through awarding HOME funds to Developers for senior citizen rental units, and acquisition and rehabilitation of deteriorated rental units for lower income households. The City also provides rental assistance through the Housing Choice Voucher Program to very low-income households through its Housing Authority. The City certifies Community Housing Development Organizations (CHDOs) in an effort to provide affordable housing using low HOME rents.

Actions planned to reduce lead-based paint hazards

All units in a project assisted with CDBG and HOME funds must comply with the regulations found at 24 CFR Part 35. The purpose of the regulation is to identify and address lead-based paint hazards before children are exposed to lead. This requirement has been in effect since September 15, 2000.

Lead-based paint hazards are found in homes built prior to 1978. All Grantees and Participating Jurisdictions must assess homes built prior to 1978 for lead hazards and conduct interim or abatement controls as warranted. The majority of the homes in South Gate were built prior to 1978 and have lead-based paint somewhere on the structure. Lead based paint is found on windowsills, doorways or under

the eaves. The hazards of lead-based paint are primarily to young children up to age 6, as they are more likely to eat peeling paint. Lead adversely affects the development of a child's brain and other organs.

The City's strategy in addressing lead based paint hazards involves an educational component for the public, printed outreach information to those households in the "lead hot zones" as identified by the County, and printed information are given to participants in the City's rehabilitation loan programs.

The Residential Rehabilitation Program focuses on rehabilitating existing housing stock throughout the City covering interior and exterior home improvement and/or repairs. In combination with the Residential Rehabilitation Program, the City offers \$10,000 grants to be used for termite and lead abatement. Lead assessments are conducted on all housing projects, both single family and multi-family units. All HCV participant rental units are inspected annually.

Actions planned to reduce the number of poverty-level families

The implementation of CDBG and HOME activities meeting the goals established in the 2020-2025 Consolidated Plan and this Annual Action Plan will help to reduce the number of poverty level families by:

- Supporting activities that expand the supply of housing that is affordable to low-and moderate-income households;
- Supporting activities that preserve the supply of decent housing that is affordable to low-and moderate-income households;
- Supporting a continuum of housing and public service programs to prevent and eliminate homelessness;
- Supporting housing preservation programs that assure low income households have a safe, decent and sanitary place to live; and
- Supporting public services for low-and moderate-income residents including those with special needs and those at risk of homelessness offered by nonprofit organizations.

In addition to these local efforts, mainstream state and federal resources also contribute to reducing the number of individuals and families in poverty. In California, the primary programs that assist families in poverty are CalWORKs, CalFresh (formerly food stamps) and MediCal. Together, these programs provide individuals and families with employment assistance, subsidies for food, medical care, childcare and cash payments to meet basic needs such as housing, nutrition and transportation. Other services are available

to assist persons suffering from substance abuse, domestic violence and mental illness.

Actions planned to develop institutional structure

The City has made an effort to develop an institutional structure that will help identify and access resources to improve the community. The City will continue to work with nonprofit entities to deliver public services. As a member of the LAHSA, the City will provide critical information to the County of Los Angeles for preparation of the County's Continuum of Care Homeless Assistance grant applications. South Gate will provide critical information regarding mainstream funds the City will make available to serve the homeless, and will also assist in identifying and prioritizing gaps and needs in the regional system of care.

Externally, the City is in direct contact with the Chamber of Commerce and the Tweedy Mile Business Association, both of which represent private industry. The City also partners with various nonprofit organizations to provide affordable housing opportunities. These nonprofits act as subrecipients to provide a variety of services to the community. The City continues to contract with the Salvation Army Bell Homeless Shelter which provides emergency shelter and support services.

Actions planned to enhance coordination between public and private housing and social service agencies

The City of South Gate is proactive in coordinating with assisted-housing providers, particularly the City's Housing Authority, homeless assistance centers and programs, youth and family oriented social service organizations and health organizations which provide outreach and counseling.

The Community Development department is comprised of Building & Safety, Planning, Housing and Code Enforcement Divisions, who work closely together to coordinate programs with local social service providers to either meet needs directly or to make referrals to outside services as necessary. Currently, staff makes referrals based upon the available known assistance data.

Discussion:

See discussion above.

Program Specific Requirements

AP-90 Program Specific Requirements – 91.220(l)(1,2,4)

Introduction:

In the implementation of programs and activities under the 2020-2021 Annual Action Plan, the City of South Gate will follow all HUD regulations concerning the use of program income, forms of investment, overall low-and moderate-income benefit for the CDBG program and recapture requirements for the HOME program.

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(l)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

| | |
|--|----------|
| 1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed | 0 |
| 2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan. | 0 |
| 3. The amount of surplus funds from urban renewal settlements | 0 |
| 4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan | 0 |
| 5. The amount of income from float-funded activities | 0 |
| Total Program Income: | 0 |

Other CDBG Requirements

| | |
|---|---------|
| 1. The amount of urgent need activities | 0 |
| 2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan. | 100.00% |

**HOME Investment Partnership Program (HOME)
Reference 24 CFR 91.220(l)(2)**

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

The City will not use any other forms of investment beyond those identified in Section 92.205. The Homeowner Rehabilitation Program provides deferred loans to qualified homeowners for rehab on their properties. The loan is due and payable when title is transferred, or property is refinanced or sold. The property must be brought up to certain housing standards as part of the rehab assistance. The property must be owner-occupied and may have up to four units. Qualified households must have an annual income at or less than 80% of the area median income. The program expects to assist five households this program year.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

In PY 2020-2021, the City does not plan to use HOME funds for homebuyer down payment assistance. However, some homebuyers that were assisted in prior years may decide to sell their homes during the upcoming program year. In that event, the City will enforce the resale and recapture guidelines.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

Not Applicable

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

The City does not intend to use HOME funds under the 2020-2021 Annual Action Plan to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds.

In the implementation of programs and activities under the 2020-2021 Annual Action Plan, the City of South Gate will follow all HUD regulations concerning the use of program income, forms of investment, overall low and moderate-income benefit for the CDBG program and recapture requirements for the HOME program.

The City, in collaboration with existing and potential CHDOs are working to identify potential projects and plan to meet new expenditure deadlines as established by HUD.

Also, the City of South Gate anticipates a 100% HOME Match reduction for FY 20-21 as in past years. HOME match reductions are due to areas of fiscal distress, severe fiscal distress, and Presidential disaster declarations as designated by HUD.





CITY OF SOUTH GATE

Analysis of Impediments To Fair Housing Choice (AI)

Community Development Department

Approved September 22, 2020

**SECTION I
INTRODUCTION**



A. FORMAT OF THE AI REPORT

The U.S. Department of Housing and Urban Development (HUD) has not issued regulations defining the scope of analysis and the format to be used by grantees when they prepare their *Analysis of Impediments to Fair Housing Choice* (AI). In 1996, HUD published a *Fair Housing Planning Guide* which includes a "Suggested AI Format." Because this *Guide* is the only official guidance provided by HUD to grantees on how to prepare and organize an AI, South Gate's AI conforms to the format suggested by HUD.

- ❖ **Section I Introduction:** The Introduction presents the AI report format; South Gate's regional setting, purpose of the report, fair housing definition, lead agency, funding, and progress made toward implementing the 2015-2020 AI.
- ❖ **Section II Fair Housing Action Plan:** Section II describes the conclusions and recommendations resulting from the AI analysis. It identifies impediments to fair housing choice and the actions that will be taken to remove or ameliorate impediments during the FY 2020/2021 to FY 2024/2025 time period. Actions to affirmatively further fair housing also are described in the *Fair Housing Action Plan*.
- ❖ **Section III Fair Housing Legal Status:** This Section discusses fair housing complaints and compliance reviews and other information pertaining to South Gate's fair housing legal status.
- ❖ **Section IV: City Background Data:** HUD advises grantees to include in the AI "jurisdictional background data" on demographics, income, employment, housing and other relevant data. This information is presented in Section IV.
- ❖ **Section V Fair Housing Protected Groups:** This Section includes detailed demographic data on the fair housing protected groups – race/color; sex; national origin; familial status; and handicap/disability.
- ❖ **Section VI Private Sector Impediments Analysis:** Section VI presents an analysis of practices prohibited by the Federal Fair Housing Act (FFHA) and the California's Fair Employment and Housing Act (FEHA). It also identifies the practices that create impediments to fair housing choice. Section VI describes impediments such as housing discrimination and discriminatory lending practices.
- ❖ **Section VII Public Sector Impediments Analysis:** This Section presents information on the planning and zoning policies, practices and regulations that impact fair housing.
- ❖ **Section VIII Private/Public Sector Impediments Analysis:** Section VIII describes potential and actual impediments that overlap the private and public sectors such as the location of affordable multifamily rental housing and gentrification.

B. SOUTH GATE'S REGIONAL SETTING

South Gate is located approximately ten miles to the southeast of downtown Los Angeles and 13.5 miles north of the Port of Long Beach. The City is bounded by the cities of Huntington Park, Cudahy, and Bell Gardens on the north; unincorporated county areas to the west; Lynwood and Paramount on the south; and Downey to the east.

The City and hosts a diverse mix of residential, commercial, industrial, and public buildings and land uses. The I-105 freeway is to its south, the I-110 freeway is approximately three miles from its western border, and the City is bisected by the I-710 freeway and several freight railroad lines.

The South Gate is 7.5 square miles. The City had a population of almost 97,000 residents as of January 2019. The population density is almost 13,000 persons per square mile.

Major physiographic features in the area include the Los Angeles River, which extends in a north-south orientation through the eastern portion of the City, and the Puente Hills, located approximately 9.5 miles to the northeast.

Exhibit I-1 shows South Gate's regional location. Exhibit I-2 shows the boundaries of the City limits.

C. PURPOSE OF THE REPORT

The City of South Gate annually receives funds from the Federal Community Development Block Grant (CDBG) program and HOME Investments Partnership (HOME) program. In FY 2020/2021, the City expects to receive CDBG and HOME funds in the amounts of \$1,487,150 and \$664,918, respectively.

An Affirmatively Furthering Fair Housing (AFFH) certification is required of cities and counties that receive funds from the CDBG program. The AFFH certification states that the grantee receiving HUD funds:

...will affirmatively further fair housing ... by conducting an analysis to identify impediments to fair housing choice within its jurisdiction, taking appropriate actions to overcome the effects of any impediments identified through the analysis, and maintaining records reflecting the analysis and actions in this regard.

HUD interprets the broad objectives of the requirement to affirmatively further fair housing choice to mean that recipients must:

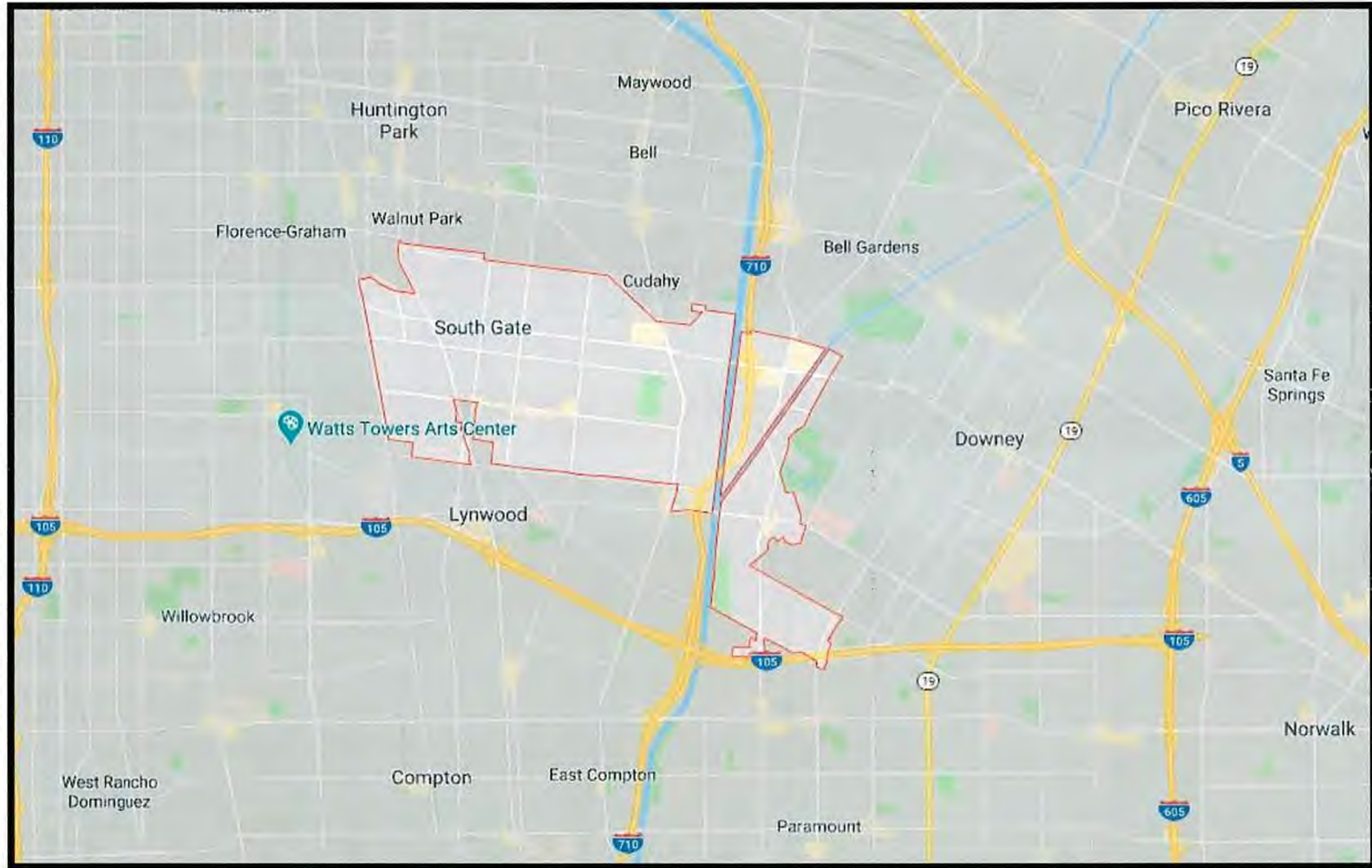
- ❖ Analyze and eliminate housing discrimination in the jurisdiction;
- ❖ Promote fair housing choice for all persons;
- ❖ Provide opportunities for inclusive patterns of housing occupancy regardless of race, color, religion, sex, familial status, disability, and national origin;
- ❖ Promote housing that is structurally accessible to, and usable by, persons with disabilities; and
- ❖ Foster compliance with the nondiscrimination provisions of the Federal Fair Housing Act.

Source: U.S. Department of Housing and Urban Development, Office of Fair Housing and Equal Opportunity, Memorandum on *Compliance-Based Evaluations of a Recipient's Certifications that it has Affirmatively Furthered Fair Housing*, March 5, 2013, page 4

Exhibit I-1
Regional Setting



Exhibit I-2
City Limits



Therefore, the fundamental purpose of the AI is to maintain the City's compliance with the AFFH certification. In so doing, the City will promote fair housing and remove or mitigate the private and sector impediments that have been identified through the analysis.

The time period of the AI is from FY 2020/2021 through FY 2024/2025, a time period that aligns with South Gate's five-year Consolidated Plan.

D. DEFINING FAIR HOUSING CHOICE

HUD defines fair housing as:

...a condition in which individuals of *similar income levels* in the same housing market have a like range of choices available to them regardless of race, color, national origin, religion, sex, handicap, or familial status.

HUD draws an important distinction between household income, affordability and fair housing. Economic factors that impact housing choice are not fair housing issues per se. Only when the relationship between household incomes combined with other factors - such as household type or race and ethnicity - create misconceptions and biases do they become a fair housing issue.

Tenant/landlord disputes are also not typically fair housing issues, generally resulting from inadequate understanding by the parties on their rights and responsibilities. Such disputes only become fair housing issues when they are based on factors protected by fair housing laws and result in differential treatment.

Impediments to fair housing choice, according to HUD, are --

Any actions, omissions, or decisions taken *because of* race, color, religion, sex, disability, familial status, or national origin which restrict housing choices or the availability of housing choices. (Intent)

Any actions, omissions, or decisions which *have the effect of* restricting housing choices or the availability of housing choices *because of* race, color, religion, sex, disability, familial status, or national origin. (Effect)

E. LEAD AGENCY AND FUNDING FOR THE AI

The lead agency for preparation of the AI and Fair Housing Action Plan is the Community Development Department.

Valuable input to the AI was provided by the following:

- ❖ Residents who responded to the Analysis of Impediments to Fair Housing Choice Survey
- ❖ Fair Housing Foundation
- ❖ Los Angeles County Office on Aging
- ❖ California Tax Credit Allocation Committee (CTCAC)
- ❖ California Department of Fair Employment and Housing (DFEH)
- ❖ California Department of Housing and Community Development (HCD)
- ❖ National Fair Housing Alliance (NFHA)

- ❖ U.S. Department of Housing and Urban Development, Los Angeles Field Office
- ❖ U.S. Department of Housing and Urban Development – Fair Housing and Equal Opportunity (FHEO), San Francisco Regional Office

CDBG funds were expended to complete the AI. CDBG funds paid for consultant assistance on the AI's preparation and for staff time expended on the project. In addition, the FHF contributed to the AI by providing housing discrimination data, case summaries, activities accomplished with the City, and reviewing the AI recommended actions. The City uses CDBG funds to support the fair housing and landlord/tenant counseling services of the FHF.

F. ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE SURVEY

An "Analysis of Impediments to Fair Housing Choice Survey" was a component of community outreach. There were 217 responses to the Survey of which 177 were residents and 25 were persons who worked in the City. Eighty percent of the residents have lived in South Gate for 10 years or longer. A summary of the responses is given below:

- ❖ 88% of the respondents believe that "housing for the disabled" is either "important" or "extremely important."
- ❖ 91% of the respondents think that "ADA accessibility improvements to public roads/facilities" is either "important" or "extremely important."
- ❖ 21% of the persons answering the Survey think that they or someone they know has encountered housing discrimination.
- ❖ 67% of the people who have encountered housing discrimination would take action by reporting the incident to the authorities or contact the person responsible for the discriminatory act.
- ❖ 32% of the respondents indicated that they believe housing discrimination occurs in South Gate.
- ❖ The most frequent types of housing discrimination include race, ethnicity, and disability (49%); source of income (51%); children (37%); and criminal history, record (34%). Source of income likely refers to discrimination against Section 8 voucher holders. "Children" probably refers to the familial status protected class.
- ❖ 41% of the people responding to the survey stated they are aware of a tenant's right to request a reasonable accommodation. Examples of the requests that had been made included improving the accessibility of a unit; assistance animal; parking space related; and live-in aide.
- ❖ 16% of the respondents believe there is a need for housing units with accessible kitchens and bathrooms.
- ❖ When asked about their housing options, almost 50% stated they "Cannot afford the rent or mortgage in a preferred neighborhood."
- ❖ Another 8% stated they were "Not shown housing in the neighborhoods we wanted to move to."

Overall, the Survey results demonstrate that residents are of their right to fair housing. There also is a keen understanding that persons with disabilities are a protected class and that meeting their housing needs is important. Still, some people who have experienced housing discrimination do not report the incident. Information could be posted on the City's website informing residents that they should report incidents of housing discrimination.

G. PROGRESS REPORT ON THE 2015-2019 AI FAIR HOUSING ACTION PLAN

The City Council adopted an AI and Fair Housing Plan on October 13, 2015. The AI and Fair Housing Plan covers the period from FY 2015/2016 to FY 2019/2020. The Plan (pages 38 and 39) includes actions to be implemented by the City and Fair Housing Foundation. Table I-1 describes the progress made on implementing the recommended actions.

In addition to the impediments and objectives listed in Table I-1, the City adopted and has implemented the following actions to further fair housing.

- ❖ Continue to work with housing providers to build housing in areas near jobs, commercial amenities, public facilities and public transit.
- ❖ Continue to work with housing providers to avoid concentrating affordable housing in any one area of the City.
- ❖ Continue to implement revitalization plans in older, lower income neighborhoods.
- ❖ Continue to proactively address affordable housing at risk of losing rent restrictions by engaging local HUD field office, property owners, and local housing providers.
- ❖ Continue to work with the Rancho Southeast Association of Realtors to educate their members about their responsibilities and rights under Fair Housing Law.
- ❖ Continue CDBG funding for Legal Services of FHF to implement the City's Fair Housing Program to educate tenants, landlords and the general public.
- ❖ Continue to promote the education of the general public on the issue of fair housing.
- ❖ Work with FHF to update information related to fair housing for the community.
- ❖ Continue to gather data for the ongoing process of updating this document and monitoring the fair housing situation in South Gate.

Table I-1
City of South Gate
Progress Report
FY 2015/2016-FY 2019/2020 Fair Housing Action Plan

| Impediments | Implementation Progress |
|--|---|
| <p>Impediment 1: High concentration of low-income households, substandard housing and inadequate public infrastructure and improvements throughout the City.</p> <p>Objective 1: Hold public workshops on fair housing, the American with Disabilities Act, and tenant rights. Provide information and resources to tenants so they can advocate for their housing rights.</p> | <p>Accomplished. The Fair Housing Foundation scheduled Tenant's Rights Workshops on April 14, 2018, July 24, 2018, September 3, 2018 and August 13, 2018. .</p> |
| <p>Impediment 2: Concentrations of substandard housing and inadequate public infrastructure.</p> <p>Objective 2: Continue to support use of the Housing Rehabilitation Program in eligible and target improvements in these areas over the next five years.</p> | <p>Accomplished. Housing units were improved by the HOME-funded Home Improvement Program.</p> |
| <p>Impediment 3: Unequal access to mortgage lending for persons of Hispanic origin.</p> <p>Objective 3: Work with the Fair Housing Foundation of Long Beach (FHF), the Rancho Southeast Association of Realtors, and Hispanic minority groups to provide fair housing education for borrowers and lenders through workshops and written materials.</p> | <p>During the Rental Counseling Workshops, the Fair Housing Foundation discusses savings goals to overcome renting barriers.</p> |
| <p>Impediment 4: Lack of oversight to discourage discriminatory leasing practices.</p> <p>Objective 4: Work with the FHF to continue test of leasing practices to determine fair housing compliance. In addition, continue to allocate CDBG Public Service funds to FHF to represent low income tenants in fair housing violation cases.</p> | <p>Testing was not accomplished. CDBG funds were allocated to the FHF to support their with low income tenants.</p> |

SECTION II
FAIR HOUSING ACTION PLAN



A. INTRODUCTION

HUD's *Fair Housing Planning Guide* states:

Jurisdictions should summarize conclusions reached based on the AI, and describe in detail recommendations for resolution of the problems identified. This discussion is the link between the AI part of FHP [Fair Housing Planning] and the actions underway and proposed to promote fair housing choice.

Furthermore, the Affirmatively Furthering Fair Housing (AFFH) certification obligates the City to:

Take appropriate actions to overcome the effects of any impediments identified through the AI.

Therefore, the *Fair Housing Action Plan* (FHAP) describes the actions to overcome the impediments identified by the completion of the *Analysis of Impediments to Fair Housing Choice* (AI).

B. FAIR HOUSING ACTION PLAN

Potential and actual impediments to fair housing choice are described in -

- ❖ Section VI – Private Sector Impediments Analysis
- ❖ Section VII – Public Sector Impediments Analysis
- ❖ Section VIII - Private/Public Sector Impediments Analysis

Based on HUD guidelines and a detailed analysis, each of the above sections presents conclusions regarding whether an impediment exists and, if so, recommends actions to remove or mitigate the identified impediments to fair housing choice. In some instances, even though an impediment was not found to exist, the City or Fair Housing Foundation will undertake actions to affirmatively further fair housing (AFFH). Actions to AFFH mean actions which contribute to eliminating housing discrimination and segregation; foster inclusive neighborhoods; provide housing for disabled persons, a protected class; and otherwise create positive impacts and change by promoting fair housing.

Table II-1 provides a brief summary of the conclusions reached and recommended actions regarding the following *private sector* impediments:

- ❖ Population Diversity
- ❖ Housing Discrimination
- ❖ Steering
- ❖ Lending Practices
- ❖ Property Management Practices

Table II-2 provides a brief summary of the conclusions reached and recommended actions regarding the following *public sector* impediments:

- ❖ Definition of Disability
- ❖ Transitional and Supportive Housing
- ❖ Reasonable Accommodation Procedure

Table II-3 provides a brief summary of the conclusions reached and recommended actions regarding the following *private/public sector* impediment:

- ❖ Location of Affordable Rental Housing Developments

Table II-4 provides a brief summary of the conclusions made and the actions that can be taken by the City or Fair Housing Foundation to affirmatively further fair housing in the following areas:

- ❖ Appraisal Practices
- ❖ Definition of Single Housekeeping Unit

**Table II-1
City of South Gate
Fair Housing Action Plan: FY 2020-2021 to FY 2024-2025
Actions to Remove/Mitigate *Private Sector* Fair Housing Impediments**

| <i>Private Sector</i> | |
|--|--|
| Population Diversity | Actions to Remove/Mitigate Impediments |
| <p>Areas of minority population concentration and high poverty rates create an impediment to fair housing because the neighborhoods lack access to opportunity; for example, educational and employment opportunities. Three census tracts have poverty rates higher than 25%.</p> | <p>Actions to ameliorate this impediment involve improvements to the neighborhood, creating incentives for market rate housing development, and enhancing the economic mobility of residents. In FY 2021-2022, the City will take following actions:</p> <p>Action 1: Evaluate Place-Based Strategies</p> <ul style="list-style-type: none"> ❖ Evaluate place-based strategies that could be effectively implemented in the neighborhoods with minority population concentrations, high poverty rates, and low resources. This action could be implemented concurrently with the preparation of the <i>2021-2029 Housing Element and Assessment of Fair Housing</i>. <p>Action 2: Reduce Neighborhood Poverty Levels</p> <ul style="list-style-type: none"> ❖ Implement the Consolidated Plan Anti-Poverty Strategy. <p>Action 3: Develop Market Rate Housing</p> <ul style="list-style-type: none"> ❖ Encourage the development of market rate housing in neighborhoods with minority population concentrations, high poverty rates, and low resources. |

**Table II-1
City of South Gate
Fair Housing Action Plan: FY 2020-2021 to FY 2024-2025
Actions to Remove/Mitigate *Private Sector* Fair Housing Impediments**

| <i>Private Sector</i> | |
|---|--|
| Housing Discrimination | Actions to Remove/Mitigate Impediments |
| <p>Housing discrimination is an impediment to fair housing choice. Based on past trends, it is estimated that 12 housing discrimination complaints may be filed by South Gate residents with HUD during the five year period between FY 2020-2021 and FY 2024-2025. During the same period, it is estimated that 50-60 housing discrimination complaints may be filed with the Fair Housing Foundation (FHF). Under contract with the City, FHF provides residents fair housing services.</p> | <p>Housing discrimination is an impediment to fair housing choice. The City will take the following actions to remove or mitigate this impediment to fair housing choice:</p> <p>Action 1: Continue to Provide Fair Housing Services</p> <ul style="list-style-type: none"> ❖ During the five-year period from FY 2020-2021 through FY 2024-2025, the City will have the FHF provide fair housing services which will include the processing of housing discrimination complaints and landlord/tenant counseling services. Often a landlord/tenant issue has as its basis a housing discrimination concern. ❖ Annually, the FHF will report on the number, bases, alleged acts, and resolutions of the housing discrimination complaints. <p>Action 2: Increase Fair Housing Awareness and Education through the City’s website.</p> <ul style="list-style-type: none"> ❖ The City, on its website, will increase efforts in educating residents on potential sources of discrimination and avenues to address fair housing on its website, by providing links to relevant information. Issues such as foreclosures, loan modifications, and short sales should be included, and the information should be provided in the English and Spanish languages. |

**Table II-1
City of South Gate
Fair Housing Action Plan: FY 2020-2021 to FY 2024-2025
Actions to Remove/Mitigate *Private Sector* Fair Housing Impediments**

| <i>Private Sector</i> | |
|---|---|
| Steering | Actions to Remove/Mitigate Impediments |
| <p>Although incidents of steering cannot be precisely quantified, there is evidence that it exists. For example, eight percent of the respondents to the fair housing survey stated that they were “Not shown housing in the neighborhoods we wanted to move to.”</p> <p>Steering creates an impediment to fair housing choice.</p> <p>Examples of steering are described on pages VI-13.</p> | <p>The City will take the following actions to remove or mitigate this impediment to fair housing choice:</p> <p>Action 1: Provide Information on Steering at Consumer Fair Housing Workshops</p> <ul style="list-style-type: none"> ❖ During the five-year period from FY 2020-2021 through FY 2024-2025, the FHF in their Consumer Fair Housing Workshops will provide 1) examples of how to detect “steering” when using the internet to conduct a home search process; 2) examples of how to detect loan steering; and 3) examples of steering that could be experienced by in-place tenants and apartment seekers. <p>Action 2: Provide Information on Steering at Landlord Workshops</p> <ul style="list-style-type: none"> ❖ During the five-year period from FY 2020-2021 through FY 2024-2025, the FHF in their Landlord Workshops will provide information on steering. |

**Table II-1
City of South Gate
Fair Housing Action Plan: FY 2020-2021 to FY 2024-2025
Actions to Remove/Mitigate *Private Sector* Fair Housing Impediments**

| <i>Private Sector</i> | |
|--|---|
| Lending Practices | Actions to Remove/Mitigate Impediments |
| <p>The City’s goal is to improve the loan approval rates of all racial and ethnic borrowers that want to buy a home in South Gate. Excessive debt to income ratios impede fair housing choice because borrowers cannot qualify to buy a home in a neighborhood they like. Many of these borrowers should not apply for a loan until after they have their debts under control.</p> | <p>The City will take the following action to remove or ameliorate this impediment to fair housing choice:</p> <p>Action 1: Provide Information on Reasons for Loan Denials</p> <ul style="list-style-type: none"> ❖ During the period from FY 2020/2021 to FY 2024/2025, the Fair Housing Foundation will provide information on debt-to-income ratios that are acceptable to lenders. Implementation of this recommendation should result in better prepared borrowers and cause an increase in loan approval rates of all loan applicants, regardless of race and ethnicity. The COVID-19 pandemic may prevent the FHF to conduct in-person workshops in FY 2020/2021 and perhaps during a part of the following fiscal years. Because of this constraint, the FHF may offer information in their monthly newsletter, prepare a FAQs document, present webinars, post information on the City’s website and conduct Zoom meetings. <p>Action 2: Continue to Collect and Analyze HMDA Data</p> <ul style="list-style-type: none"> ❖ During the five-year period from FY 2020-2021 through FY 2021-2025 continue to collect HMDA data on loan approvals and denials by race and ethnicity, income, and census tract location. Solid conclusions on trends and impediments can be made when multi-year data are analyzed. The multi-year analysis can be described in the CAPERs. |

Table II-1
City of South Gate
Fair Housing Action Plan: FY 2020-2021 to FY 2024-2025
Actions to Remove/Mitigate *Private Sector* Fair Housing Impediments

| <i>Private Sector</i> | |
|--|---|
| Property Management Practices | Actions to Remove/Mitigate Impediments |
| <p>Property management practices concerning service and companion animals, reasonable accommodations, and reasonable modifications impede fair housing choice.</p> | <p>The City will take the following action to remove or ameliorate this impediment to fair housing choice:</p> <p>Action 1: Provide Information on Prohibited Property Management Practices at Landlord Workshops</p> <p>❖ In the period from FY 2020/2021 to FY 2024/2025, the Fair Housing Foundation will continue to hold Landlord Workshops and include discussions on the prohibited discriminatory practices pertaining to service and companion animals, reasonable accommodations, and reasonable modifications.</p> <p>The COVID-19 pandemic may prevent the FHF to conduct in-person workshops in FY 2020/2021 and perhaps during a part of the following fiscal years. Because of this constraint, the FHF may offer information in their monthly newsletter, prepare a FAQs document, present webinars, post information on the City's website and conduct Zoom meetings.</p> |

**Table II-2
City of South Gate
Fair Housing Action Plan: FY 2020-2021 to FY 2024-2025
Actions to Remove/Mitigate *Public Sector* Fair Housing Impediments**

| <i>Public Sector</i> | |
|---|--|
| Definition of Disability | Actions to Remove/Mitigate Impediments |
| <p>The California Legislature has determined that the definitions of “physical disability” and “mental disability” under the law of this state require a “limitation” upon a major life activity, but do not require, as does the federal Americans with Disabilities Act of 1990, a “substantial limitation.”</p> | <p>The City will revise the definition of disability as follows:</p> <p>Action 1: Revise Definition of Disability</p> <ul style="list-style-type: none"> ❖ The Zoning Code disability definition will be amended to delete reference to “substantially limits” and also include a reference to how the State law, which provides broader protections than the federal law, defines disability. |
| Transitional & Supportive Housing | Actions to Remove/Mitigate Impediments |
| <p>The Zoning Code requirements pertaining to transitional housing and supportive housing for the most part meet the intent of state law. However, to eliminate what may be termed an administrative, rather than actual, impediment to fair housing choice the City will take the following action described in the following column.</p> | <p>To be consistent with State law and best practices, the City will take the following action:</p> <p>Action 1: Amend the Transitional and Supportive Zoning Requirements</p> <ul style="list-style-type: none"> ❖ Add transitional housing as a permitted use in the CC and UN Zones. ❖ Incorporate in the Zoning Ordinance the by right use requirements of AB 2162 |
| <i>Public Sector</i> | |
| Reasonable Accommodation Procedure | Actions to Remove/Mitigate Impediments |
| <p>The Reasonable Accommodation Procedure should be consistent with the guidance provided by the federal Departments of Justice and Housing and Urban Development, the State Department of Housing and Community Development, and best practices. One requirement of a Reasonable Accommodation Procedure is to protect the privacy of the disabled person by not holding public hearings regarding a request for reasonable accommodation. An impediment to fair housing choice is created because the community is unaware of the reasonable accommodation and no brochure or application is available to request an accommodation.</p> | <p>The City will take the following actions to eliminate the potential for creating an impediment to fair housing choice:</p> <p>Action 1: Revise Zoning Code</p> <ul style="list-style-type: none"> ❖ Consider revising Section 11.35.040 so that that a request for a reasonable accommodation request is processed and considered <i>separately</i> from any land use discretionary permits. <p>Action 2: Increase Community Awareness</p> <ul style="list-style-type: none"> ❖ Prepare a Brochure or Flyer to Promote the Reasonable Accommodation Procedure and Prepare an Application that will be Posted on the Community Development Department’s webpage. |

**Table II-3
City of South Gate
Fair Housing Action Plan: FY 2020-2021 to FY 2024-2025
Actions to Remove/Mitigate *Private/Public Sector* Fair Housing Impediments**

| <i>Private/Public Sector</i> | |
|---|---|
| Location of Affordable Rental Housing Developments | Actions to Remove/Mitigate Impediments |
| <p>The City is required to update its Housing Element by October 2021 to cover the period from October 2021 to October 2029. An important component of the updated Housing Element Update is the identification of sites that can accommodate the housing needs of lower income families, including sites for multifamily rental housing developments.</p> <p>The very high lower income housing need (3,100 + housing units) allocated by SCAG to the City means it will be necessary to accommodate the housing need on already built land in existing neighborhoods. The identified sites could accommodate the needs of large families, seniors and special needs populations. Improvements to existing neighborhoods are needed to increase the potential of large family rental developments receiving low income housing tax credits and to reduce overcrowded conditions.</p> | <p>The City will take the following actions to remove or mitigate this impediment to fair housing choice:</p> <p>Action 1: Pursue Placed-Based Improvement Strategies in Existing Neighborhoods</p> <p>During the next five years - FY 2020/2021 to FY 2024/2025 - the City will continue to implement the Community Design Element goals, objectives, and policies including, but not limited, to:</p> <ul style="list-style-type: none"> ❖ Supporting the formation of neighborhood associations and organizations to create specific neighborhood improvement strategies and sponsor neighborhood social and safety events. ❖ Ongoing conservation, maintenance, and upgrading of existing neighborhoods. ❖ The South Gate College, Gateway, Imperial and Firestone Industrial Districts will continue to be planned to contain a mix of uses with a significant amount of new multi-family residential development. ❖ New high density residential that includes a variety of housing types and affordability levels will be encouraged along the majority of the City's Corridors |

**Table II-4
City of South Gate
Fair Housing Action Plan: FY 2020-2021 to FY 2024-2025
Actions to Affirmatively Further Fair Housing – Private Sector**

| <i>Private and Public Sectors</i> | |
|---|--|
| <p>Appraisal Practices</p> <p>Complaints regarding discriminatory appraisal practices are not routinely collected by local, State or Federal agencies. Data are unavailable to demonstrate if discriminatory appraisal practices have adversely impacted some of real estate transactions.</p> | <p>Actions to AFFH</p> <p>Although no impediment was found to exist, the City will take following action to affirmatively further fair housing:</p> <p>Action 1: Provide Information on the Appraisal Process at Consumer Fair Housing Workshops</p> <ul style="list-style-type: none"> ❖ In FY 2020-2021 to FY 2024-2025, the FHF will describe the appraisal process and the contents of an appraisal report at their Consumer Fair Housing Workshops. ❖ The COVID-19 pandemic may prevent the FHF to conduct in-person workshops in FY 2020/2021 and perhaps during a part of the following fiscal years. Because of this constraint, the FHF may offer information in their monthly newsletter, prepare a FAQs document, present webinars, post information on the City’s website and conduct Zoom meetings. |
| <p>Single Housekeeping Definition</p> <p>The fact that the Zoning Code does not define “family” does not create an impediment to fair housing choice. To affirmatively further fair housing, the City will take the action described in the following column.</p> | <p>Actions to AFFH</p> <p>Although no impediment was found to exist, the City will take following action to affirmatively further fair housing:</p> <p>Action 1: Evaluate the Merits of Including in the Zoning Code a Definition of “Single Housekeeping Unit.”</p> <p>An example of a single housekeeping unit is given below: <i>Single housekeeping unit</i> means an interactive group of persons jointly residing in a single dwelling unit exercising joint responsibility for and use of the dwelling's common areas, jointly sharing household expenses, jointly sharing household activities and responsibilities such as meals, chores, and household maintenance. A boarding house shall not be considered a single housekeeping unit.</p> |

**SECTION III
FAIR HOUSING LEGAL STATUS**



A. INTRODUCTION

HUD's 1996 *Fair Housing Planning Guide* advises grantees to include information in the AI about:

- ❖ The number and types of complaints that have been filed alleging housing discrimination
- ❖ Complaints in which the Secretary of HUD has issued a charge of discrimination
- ❖ Suits that have been filed by the Department of Justice or private plaintiffs
- ❖ The reasons for any trends or patterns
- ❖ Discussion of other fair housing concerns

B. FAIR HOUSING COMPLAINTS

Housing discrimination complaints can be filed directly with the State Department of Fair Employment and Housing (DFEH), the U.S. Department of Housing and Urban Development (HUD) and the Fair Housing Foundation (FHF).

The DFEH statutory mandate is to protect the people of California from employment, housing and public accommodations discrimination, and hate violence and human trafficking, pursuant to the California Fair Employment and Housing Act (FEHA), Unruh Civil Rights Act, Disabled Persons Act, and Ralph Civil Rights Act.

With regard to housing, the FEHA prohibits discrimination and harassment on the basis of race, color, religion, sex (including pregnancy, childbirth, or related medical conditions), gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, and genetic information, or because another person perceives the tenant or applicant to have one or more of these characteristics.

The DFEH did not have data specific to the City of South Gate. Table III-1 shows the bases of housing discrimination complaints filed with the DEFH in the four year period between 2015 and 2018. Disability, race/color and familial status account for 54% of the bases for the filed complaints. During the 2015-2018 period, Los Angeles County residents filed 28% of the housing discrimination complaints.

The housing discrimination complaints filed by South Gate residents directly with HUD are processed by HUD's San Francisco Office of Fair Housing and Equal Opportunity (FHEO). HUD's San Francisco regional office compiled the number of housing discrimination complaints filed by South Gate residents between August 2010 and August 2019. During this nine-year period, 12 complaints were filed involving 17 bases (protected classes): Seven of the 12 residents believed they were discriminated against because of their children (familial status). Four residents thought they were discriminated against because of their national origin. Refer to Table III-2

Following HUD investigations, the Department made a "no cause" finding for seven of the 12 complaints. A settlement and conciliation was found successful in three of the 12 cases. In one case HUD was unable to locate the complainant and one remains in progress.

During the past four fiscal years, 48 housing inquiries/allegations were filed with the Fair Housing Foundation. The most frequent bases for the inquiries/allegations included: physical and mental disabilities. Refer to Table III-3

Table III-1
Housing Discrimination Complaints Filed With The
State Department of Fair Employment and Housing: 2015-2018

| Basis | Number of Bases | Percentage Distribution |
|------------------|------------------------|--------------------------------|
| Disability | 3,091 | 30% |
| Race | 1,196 | 12% |
| Familial Status | 848 | 8% |
| Sex-Gender | 528 | 5% |
| National Origin | 505 | 5% |
| Color | 417 | 4% |
| Religion | 190 | 2% |
| Source of Income | 427 | 4% |
| All Other | 3,039 | 30% |
| Total | 10,241 | 100% |

Note: The number of bases is the sum of the four years. The total number of bases exceeds the total number of complaints filed because a complaint may have more than one basis. There were during the four years 5,288 complaints filed and 10,241 bases.

Source: California Department of Fair Employment and Housing, Annual Reports, 2015, 2016, 2017 and 2018

Table III-2
City of South Gate
Housing Discrimination Complaints by Protected Class
August 2010 to August 2019
(Filed with U.S. Department of Housing and Urban Development)

| Protected Class | Number of Bases | Percentage Distribution |
|------------------------|------------------------|--------------------------------|
| Familial Status | 7 | 42% |
| National Origin | 4 | 24% |
| Disability | 2 | 12% |
| Sex | 2 | 12% |
| Retaliation | 1 | 5% |
| Race | 1 | 5% |
| Total | 17 | 100% |

Source: U.S. Department of Housing and Urban Development, San Francisco Office Fair Housing and Equal Opportunity

Table III-3
City of South Gate
Fair Housing Inquiries/Allegations by Protected Class
FY 2015/2106 to FY 2018/2019
(Filed with the Fair Housing Foundation)

| Protected Class | Number of Cases | Percentage Distribution |
|---------------------|-----------------|-------------------------|
| Age | 1 | 2.1% |
| Familial Status | 10 | 20.8% |
| Gender | 3 | 6.3% |
| Marital Status | 3 | 6.3% |
| Mental Disability | 8 | 16.7% |
| National Origin | 2 | 4.2% |
| Physical Disability | 16 | 33.3% |
| Race | 4 | 8.3% |
| Sexual Orientation | 1 | 2.1% |
| Total | 48 | 100.0% |

Source: Fair Housing Foundation, Annual Reports, FY 2015/2016 to FY 2018/2019

C. SECRETARY-INITIATED COMPLAINTS

According to HUD, a Secretary-initiated complaint is filed when it has evidence that a discriminatory housing practice has occurred or is about to occur. HUD also may file a Secretary-initiated complaint when it has received an individual complaint, but believes there may be additional victims of the discriminatory act or wants to obtain broader relief in the public interest. For instance, in October 2019 HUD Secretary Ben Carson filed a formal complaint alleging that the City of Hesperia and the San Bernardino County Sheriff's Department violated the Fair Housing Act, discriminating against blacks and Hispanic residents.

In 2018, there were eight Secretary-initiated complaints open or pending, down from 11 in 2017, 16 in 2016, and 33 in 2015. In five of these cases, disability was the protected basis of discrimination. It appears there was only one new case in 2018 and the others were carried over from prior years.

Source: National Fair Housing Alliance, *Defending Against Unprecedented Attacks on Fair Housing: 2019 Fair Housing Trends Report*, page 20

None of the Secretary-initiated complaints have involved the City of South Gate or local property owners, apartment managers and other private or public entities.

D. COMPLAINTS FILED AGAINST RECIPIENTS OF HUD FUNDS

HUD investigates discrimination complaints against recipients of HUD funds to determine whether the recipient violated civil rights laws or civil-rights related program requirements. At the conclusion of the investigation, HUD issues written findings of violations of civil rights laws or program requirements based on its investigation.

Table III-4 shows the numbers of complaints received in FY 2016 and FY 2017 that alleged discrimination or noncompliance by a recipient of HUD funds and the civil rights law that was allegedly violated. None of the filed complaints involved the City of South Gate, which receives CDBG and HOME funds.

HUD has not yet published the data for FY 2018 and 2019.

Table III-4
Complaints Against Recipients of HUD Funds, FY 2016 and FY 2017

| Legal Basis for Complaint | Number of Complaints Filed | | Number of Investigations Closed | |
|---------------------------|----------------------------|------|---------------------------------|------|
| | 2016 | 2017 | 2016 | 2017 |
| Section 504 | 352 | 370 | 462 | 384 |
| Title VI | 163 | 155 | 202 | 181 |
| Title II of ADA | 84 | 118 | 170 | 110 |
| Section 109 | 17 | 20 | 49 | 27 |
| Age Discrimination Act | 0 | 1 | 3 | 2 |
| Section 3 | 2 | 2 | 2 | 3 |
| AFFH | 0 | 1 | 0 | 0 |
| Total | 618 | 667 | 888 | 707 |

Source: Office of Fair Housing and Equal Opportunity, *Annual Report to Congress FY 2016*, January 2017 and *Annual Report to Congress FY 2017*, January 2018

The legal bases for the complaints are defined below:

- ❖ Section 504, Rehabilitation Act of 1974 prohibits discrimination against people with disabilities in programs that receive federal financial assistance.
- ❖ Title VI of the Civil Rights Act of 1964 protects people from discrimination based on race, color, or national origin in programs or activities that receive federal financial assistance.
- ❖ Title II of ADA extends the prohibition of discrimination established in Section 504 of the Rehabilitation Act of 1973, as amended, to all activities of State and local governments regardless of whether these entities receive federal financial assistance.
- ❖ Section 109 prohibits discrimination in programs and activities receiving assistance under Title I of the Housing and Community Development Act of 1974.
- ❖ The Age Discrimination Act of 1975 prohibits discrimination on the basis of age in programs and activities receiving federal financial assistance. The Act applies to all ages.
- ❖ The Section 3 program requires that recipients of certain HUD financial assistance, to the greatest extent possible, provide training, employment, contracting and other economic opportunities to low- and very low-income persons, especially recipients of

government assistance for housing, and to businesses that provide economic opportunities to low- and very-low income persons.

E. COMPLIANCE REVIEWS OF RECIPIENTS OF HUD FUNDS

HUD conducts compliance reviews to determine whether a recipient of HUD funds is in compliance with applicable civil rights laws and their implementing regulations. HUD may initiate a compliance review whenever a report, complaint, or any other information indicates a possible failure to comply with applicable civil rights laws and regulations. HUD initiates most compliance reviews based on risk analysis, issues raised during a limited monitoring review, or when a civil rights problem is detected through HUD programming.

Table III-5 shows the number of compliance reviews that HUD initiated in FY 2016 and FY 2017 and the civil rights law under which they were conducted. In 2016 and 2017, HUD initiated 51 compliance reviews and closed 71 compliance reviews, respectively. HUD has not yet published the data for FY 2018 and 2019.

HUD has not conducted a fair housing related compliance review of the City's use of HUD funds.

Table III-5
Compliance Reviews of Recipients of HUD Funds, FY 2016 and FY 2017

| Legal Basis for Complaint | Number of Compliance Reviews Initiated | | Number of Compliance Reviews Closed | |
|---------------------------|--|------|-------------------------------------|------|
| | 2016 | 2017 | 2016 | 2017 |
| Section 504 | 2 | 5 | 16 | 19 |
| Title VI | 3 | 9 | 13 | 24 |
| Title II of ADA | 1 | 3 | 5 | 4 |
| Section 109 | 0 | 1 | 8 | 3 |
| Section 3 | 1 | 1 | 1 | 1 |
| AFFH | 1 | 1 | 0 | 0 |
| Total | 8 | 20 | 43 | 51 |

Source: Office of Fair Housing and Equal Opportunity, *Annual Report to Congress FY 2016*, January 2017 and *Annual Report to Congress FY 2017*, January 2018

F. FAIR HOUSING DISCRIMINATION SUITS FILED BY THE FEDERAL DEPARTMENT OF JUSTICE OR PRIVATE PLAINTIFFS AND THE CALIFORNIA DEPARTMENT OF FAIR EMPLOYMENT AND HOUSING

The Housing and Civil Enforcement Section of the Civil Rights Division of the Federal Department of Justice (DOJ) is responsible for enforcement of the Fair Housing Act (FHA), along with the Equal Credit Opportunity Act, the Service members Civil Relief Act (SCRA), the land use provisions of the Religious Land Use and Institutionalized Persons Act (RLUIPA) and Title II of the Civil Rights Act of 1964, which prohibits discrimination in public accommodations.

Under the Fair Housing Act, the DOJ may bring lawsuits where it has reason to believe that a person or entity is engaged in a "pattern or practice" of discrimination or where a denial of rights to a group of persons raises an issue of general public importance.

The DOJ also brings cases where a housing discrimination complaint has been investigated by HUD and HUD has issued a charge of discrimination, and one of the parties to the case has "elected" to go to federal court.

In Fair Housing Act cases, the DOJ can obtain injunctive relief, including affirmative requirements for training and policy changes, monetary damages and, in pattern or practice cases, civil penalties.

The DFEH enforces California's fair housing laws. The Department may bring law suits concerning the discriminatory practices of private and public persons and entities.

Descriptions of several cases are included in the following four pages. They illustrate the range of fair housing issues including discriminatory land use policies and practices, government housing policies and practices, and the discriminatory behavior of private owners, lenders, and local governments. The case highlights involving the State DFEH are listed first (#1- #5) and those are followed by the DOJ cases (#6 - #11). The last two pages of Section III are HUD press releases involving recent (February 2020) settlements with apartment owners and property managers in Upland and San Diego.

Although none of the cases involve the City of South Gate or local private entities, they are concrete examples of the nature of private and public sector impediments to fair housing choice.

1. Sexual Harassment by Marin County Landlord - 2018

A woman filed complaints for housing discrimination and violations of the Unruh Civil Rights Act, alleging that the owner of a residential house in which she rented a downstairs room sexually harassed her over the course of a year and a half, including by kissing her, grabbing her buttocks, and exposing himself to her. The complainant alleged the owner became increasingly hostile after she rejected his advances. No longer feeling safe in her home, the complainant filed a police report and sought a restraining order against the landlord, which the court granted. Immediately following service of the restraining order, the homeowner served the complainant with a 30-day eviction notice. The parties engaged in voluntary pre-investigation mediation in the DFEH's Dispute Resolution Division, resulting in a settlement in which the landlord agreed to pay the complainant \$75,000. In addition to the monetary settlement, the homeowners were required to undergo fair housing training that addresses sexual harassment prevention and retaliation.

2. National Origin Discrimination in Housing in San Rafael - 2018

A family alleged that a property management company discriminated against them on the basis of national origin when the company demanded a U.S.-based form of identification such as a U.S. driver's license, passport, or employment authorization card to process a rental application. DFEH has issued guidance that California housing providers may not require U.S.-issued identification from prospective tenants and must accept foreign-issued identification such as Consular ID cards and passports. Routine credit and background checks may be conducted with a name and previous address. The parties engaged in voluntary pre-investigation mediation in the DFEH's Dispute Resolution Division, resulting in a settlement in which the

property owner agreed to pay \$18,000, change the language of a notice given to rental applicants, attend fair housing trainings, post fair housing posters, and send residents fair housing brochures in English and Spanish.

3. California Department of Fair Employment and Housing v. Riverside Mobile Home Park Owners - 2017

Residents of a Riverside mobile home park experienced discrimination and harassment by a manager of the park. A property manager harassed children at the park by taking pictures of them and by calling them, "Mexican -----." The manager also issued a rule to the tenants stating that children would only be allowed to play in their own yards and not in the common areas of the park. The mobile home park owners agreed to pay \$125,000 to the Fair Housing Council of Riverside County, Inc. (FHCRC) and to five Hispanic tenants who filed the complaint. The settlement also required the mobile home park owner to attend fair housing training, revise all housing rules that discriminate against Hispanic tenants and residents with children, and to post DFEH's housing discrimination rights notices in Spanish and English.

4. California Department of Fair Employment and Housing v. Airbnb – 2017

In April 2017, Airbnb entered into a settlement agreement with the DFEH to resolve a Department-initiated complaint alleging that Airbnb engaged in acts of housing discrimination and failed to prevent discrimination against Black guests in violation of California civil rights laws. Airbnb is an online community marketplace that connects people looking to rent their homes with people who are looking for accommodations. Under its terms, the Airbnb hosts and the guests in California are required to accept a recently implemented nondiscrimination policy as a condition for participating in Airbnb. The Department will conduct fair housing testing of Airbnb hosts in the state, and Airbnb California employees will receive fair housing and discrimination training. Airbnb has designated a unit to investigate all discrimination complaints, and this unit will submit periodic reports to the Department. Airbnb has also agreed to develop a progressive system of counseling, warning, and discipline for hosts and guests when unlawful discrimination occurs.

5. California Department of Fair Employment and Housing v. John Yo Wong - 2016

Irene Reynoso, a 66-year-old woman, had lived in the same apartment in San Francisco for decades. She had been seriously injured as a young woman and her condition had deteriorated over time, requiring her to ask her landlord to accept rent checks signed by her sister, to allow another sister (her caregiver) to stay with her, and to provide her with a key to a more accessible entrance to the garbage room. Despite numerous attempts by Ms. Reynoso, her sisters, and the nonprofit Housing Equality Law Project (HELP) to obtain these reasonable accommodations, the landlord refused all requests and served Ms. Reynoso with multiple eviction notices. After Ms. Reynoso brought her case to DFEH, the Department investigated her claims, found merit and filed a lawsuit against the landlord. In November 2016, Ms. Reynoso's landlord agreed to pay \$575,000 to Ms. Reynoso, her sisters, and HELP to resolve the discrimination allegations and various landlord-tenant claims. The settlement also requires the landlord to attend fair housing training, develop a reasonable accommodations policy, and post informational DFEH posters at all of his rental properties.

6. Discrimination Against Hispanic Homeowners Based on their National Origin – 2019

The federal DOJ, through a series of settlements, resolved allegations that several California-based mortgage loan modification service providers engaged in national origin discrimination when they targeted Hispanic homeowners for predatory mortgage loan modification services and interfered with those individuals' ability to keep their homes.

The Settlement Agreements resolved a lawsuit that the Department filed in the U.S. District Court for the Northern District of California. Among other relief, the agreements established a restitution fund of more than \$148,000 to reimburse the discrimination victims for fees collected by defendants as part of the predatory scheme. The lawsuit arose from complaints filed with the HUD by two of the defendants' former clients, Eberardo Perez and Roberto Hernandez, who intervened in the lawsuit along with their attorney, Housing & Economic Rights Advocates (HERA), and members of Hernandez's family.

7. Discrimination Against a Group Home on the Basis of Race and National Origin –2017

On March 23, 2017, the court issued an order denying the defendant's motion for summary judgment in *Southwest Key Programs, Inc. v. City of Escondido* (S.D. Cal.), finding that there were triable issues as to whether the group home at issue constitutes a dwelling under the Fair Housing Act. The United States Department of Justice had filed a statement of interest in this case on November 3, 2016, to address the question whether the protections of the Fair Housing Act extend to group homes for unaccompanied children in the care and custody of the United States Department of Health and Human Services. The plaintiff in the case sought to operate such a home in the City of Escondido and alleges that the city discriminated on the basis of race and national origin when it denied the request for a conditional use permit to operate the group home. The defendant moved for summary judgment, arguing, among other things, that the Fair Housing Act does not apply. The United States' statement of interest urged the court to find that the proposed group home is a "dwelling" covered by the Fair Housing Act and is neither a jail nor a detention facility.

8. Group Home 600 Foot Spacing Requirement – 2017

On November 28, 2017, the United States filed a complaint in *United States v. City of Springfield* (C.D. Ill.), alleging that the City violated the Fair Housing Act by imposing a 600-foot spacing requirement on small group homes for persons with disabilities, while not applying any spacing requirement to similarly situated housing for people without disabilities. The complaint further alleges that the City failed to provide a reasonable accommodation to a small group home that was located within 600 feet of another such home.

9. Discrimination Against Permanent Supportive Housing – 2017

On June 29, 2017, the court entered a consent decree in *United States v. City of Jacksonville* (M.D. Fla.). The complaint, which was filed on December 20, 2016, alleged that the City violated the Fair Housing Act and Americans with Disabilities Act when it refused to allow the development of a 12-unit apartment building to create "permanent supportive housing" for "chronically homeless" veterans, in response to intense community pressure based on stereotypes about prospective residents with disabilities. Under the consent decree, the City has amended its Zoning Code, including removing restrictions that apply to housing for persons with disabilities and implementing a reasonable accommodation policy. The City has also agreed to rescind the written interpretation that prevented Ability Housing from providing the housing at

issue, designate a fair housing compliance officer, provide Fair Housing Act and Americans with Disabilities Act training for City employees, and pay a \$25,000 civil penalty to the government. In a separate settlement the City agreed to pay \$400,000 to Ability Housing, a non-profit affordable housing provider, and \$25,000 to Disability Rights Florida, an advocate for people with disabilities, and to establish a \$1.5 million grant to develop permanent supportive housing in the City for people with disabilities.

10. Forced Closure of a Group Home – 2017

On June 26, 2017, the court entered a consent decree in *United States v. City of Jackson* (S.D. Miss.). The complaint, which was filed on September 30, 2016, alleged that the city discriminated on the basis of disability in violation of the Fair Housing Act and Title II of the Americans with Disabilities Act by requiring the operator of a group home to close the home and force the residents to relocate. The consent decree requires the city to pay \$100,000 to the owner of Urban Rehab, Inc., \$35,000 to the department as a civil penalty, and \$50,000 to a settlement fund that will compensate other victims. The city also agreed to revise its Zoning Code to permit persons in recovery to reside in all residential zones and to ease other restrictions on group homes for people with disabilities.

11. Discrimination Against African American Participants in the Section 8 Housing Choice Voucher Program - 2015

On July 28, 2015, the court approved a settlement agreement in *United States v. Housing Authority of the County of Los Angeles* (C.D. Cal.). The complaint, which was filed on July 20, 2015, alleged that the Housing Authority of the County of Los Angeles and the cities of Lancaster and Palmdale engaged in a pattern or practice of Fair Housing Act discrimination against African-American participants in the federal Section 8 Housing Choice Voucher Program. The settlement agreement provides for comprehensive reforms, a \$1.975 million victim fund and a \$25,000 civil penalty.

G. REASONS FOR ANY TRENDS OR PATTERNS

According to the National Fair Housing Alliance (NFHA) 2019 Trends Report, disability is the basis for the majority of complaints filed with FHOs, HUD, and FHAP agencies. Between 2017 and 2018, the number of disability complaints in the nation increased by 1,238. This has been the trend for the past several years. According to the NFHA, discrimination on the basis of disability is the easiest to detect as it usually involves denial of a request for a reasonable accommodation or modification or because it involves a multi-family property that is not accessible in obvious ways that violate the requirements of the Fair Housing Act. There were 17,575 nationwide complaints of discrimination based on disability, representing 56% of all cases.

The 2019 Trends Report also concludes that fair housing must be applied to technology with housing-related functions. With the increasing use of digital platforms and algorithms in housing-related transactions, the technology community and housing industries using technology must take steps to eliminate from their models the tainted data and biased outcomes based on a history of discrimination. The industry must:

- ❖ Educate lenders, insurers, housing providers, data scientists, systems modelers, and others in the field about fair housing issues and the effective use of fair housing/fair lending testing;

- ❖ Develop mechanisms for the culling of high-quality non-traditional data, such as rental housing payment information to be used in AI and ML systems;
- ❖ Clarify industry standards to support safe and fair ML and AI development, validation, and monitoring;
- ❖ Increase ethics training for AI professionals to promote the use of effective, high-quality, less-biased data and systems;
- ❖ Update regulatory guidance to ensure the development of AI systems that produce less-discriminatory effects;
- ❖ Eliminate and/or mitigate bias in decisioning, marketing, etc. by adopting responsible AI standards and systems; and
- ❖ Dramatically increase diversity in tech, insurance and financial services industries.

Source: National Fair Housing Alliance, *Defending Against the Unprecedented Attacks on Fair Housing: 2019 Fair Housing Trends Report*, 58 pages

Additional recent trends at the national, state and local levels are listed below:

- ❖ Extending fair housing protections to, for example, the LGBTQ community and Native Americans and to people who live in HUD-assisted and FHA-insured housing.
- ❖ Protecting people with limited English speaking (LEP) proficiency under the category of national origin.
- ❖ Identifying gentrification and displacement as a fair housing issue because of its adverse impacts on low income people and people of color.
- ❖ Adding that Section 8 rental assistance is a verifiable source of income under the provisions of California's Fair Employment and Housing Act.
- ❖ Continuing a trend of an increasing share of housing discrimination complaints being made on the basis of disability.

National Fair Housing Alliance, *Making Every Neighborhood A Place of Opportunity: 2018 Fair Housing Trends Report*, April 2018, 99 pages

In 2017 and 2018, the State DFEH focused intensively on increasing the accessibility of services for all Californians, including people with disabilities and people with limited English proficiency. In November 2017, DFEH launched new case filing and case management system, Cal Civil Rights System (CCRS), which allows members of the public and their representatives to submit complaints online for all of the civil rights laws DFEH enforces. In 2018, the DFEH launched a Spanish-language version of the CCRS. The Department also Issued a suite of fair housing materials in the six most commonly spoken languages in the state.

Source: California Department of Fair Employment and Housing, *2017 Annual Report*, August 2018, 36 pages and *2018 Annual Report*, 35 pages

**HUD REACHES SETTLEMENT WITH SAN DIEGO HOUSING PROVIDERS,
RESOLVING CLAIMS OF DISABILITY DISCRIMINATION – FEBRUARY 24, 2020**

WASHINGTON - The U.S. Department of Housing and Urban Development today announced it has reached a Conciliation/Voluntary Compliance Agreement with Wakeland Atmosphere, L.P., and FPI Management, Inc., the owner and management company for a HUD-subsidized apartment complex in San Diego, California, to settle allegations that they violated the Fair Housing Act when they refused to allow a tenant with disabilities to have a designated parking space. [Read the agreement.](#)

The Fair Housing Act prohibits housing providers from denying or limiting housing to persons with disabilities. In addition, Section 504 of the Rehabilitation Act of 1973 prohibits discrimination on the basis of disability by recipients of federal financial assistance. Under both statutes, it is illegal to deny reasonable accommodation requests that may be necessary to allow persons with disabilities the opportunity to use and enjoy their home, such as the granting of reserved parking spaces to persons with mobility disabilities.

“Reasonable accommodations make a world of difference to persons who find the most routine things, like walking from a parking lot to their home, challenging,” said Anna Maria Farias, HUD Assistant Secretary for Fair Housing and Equal Opportunity. “Hopefully, today’s settlement will send a loud and clear message to housing providers that HUD is committed to ensuring that they meet their obligations under the nation’s fair housing laws.”

The case came to HUD’s attention when a woman with physical disabilities filed a complaint alleging that FPI Management refused to accommodate her by granting a request for a designated parking space. As a result, the woman alleged she was forced to navigate a steep incline each time she exited her building’s parking garage after parking in one of the regular spaces. FPI Management and Wakeland Atmosphere deny discriminating against the tenant but agreed to settle her complaint.

Under the terms of the agreement, FPI Management, Inc., and Wakeland Atmosphere, L.P., agree to pay the resident \$12,500 and ensure that property managers at the resident’s apartment complex attend fair housing training.

People who believe they have experienced discrimination may file a complaint by contacting HUD’s Office of Fair Housing and Equal Opportunity at (800) 669-9777 (voice) or (800) 927-9275 (TTY). Housing discrimination complaints may also be filed by going to hud.gov/fairhousing, or by downloading HUD’s free housing discrimination mobile application, which can be accessed through Apple and Android devices.

**HUD ANNOUNCES SETTLEMENT WITH CALIFORNIA LANDLORDS
RESOLVING CLAIM OF HOUSING DISCRIMINATION – FEBRUARY 20, 2020**

WASHINGTON - The U.S. Department of Housing and Urban Development (HUD) today announced the approval of a Conciliation Agreement between Inland Fair Housing and Mediation Board and a group of Upland, CA, property owners and managers resolving allegations that they discriminated against families with children by refusing to rent to them and by imposing different occupancy terms and conditions to families with children. [Read the agreement.](#)

The Fair Housing Act makes it unlawful to deny or limit housing because a family has children under the age of 18, and to make statements or establish rules and policies that discriminate against families with children. Housing may exclude children only if it meets the Fair Housing Act's exemption for housing for older persons.

"Families looking for safe, decent housing shouldn't be penalized because they have children," said Anna María Farías, HUD Assistant Secretary for Fair Housing and Equal Opportunity. "Today's agreement reaffirms HUD's commitment to ensuring that housing providers meet their obligation to treat all applicants the same."

The case came to HUD's attention when Inland Fair Housing and Mediation Board (IFHMB), a HUD Fair Housing Initiatives Program agency, filed a complaint based on results from their fair housing tests. IFHMB alleged the tests showed the property owners and two property managers refused to rent to families with children and/or offered them different lease terms and conditions. The owners and managers also allegedly implemented an unreasonably restrictive two-person-per-bedroom occupancy policy at two rental properties. The owners and managers deny they discriminated against families with children but agreed to resolve the matter through the Conciliation Agreement.

Under the terms of the agreement, the owners and property managers will pay IFHMB \$10,000, abolish any two-person-per-bedroom policy, remove language regarding the two-person-per-bedroom policy from advertising and marketing materials, and have property managers and staff that interact with applicants and tenants attend fair housing training.

Persons who believe they have experienced housing discrimination may file a complaint by contacting HUD's Office of Fair Housing and Equal Opportunity at (800) 669-9777 (Voice) or (800) 927-9275 (TTY). Housing discrimination complaints may also be filed by going to www.hud.gov/fairhousing.

**SECTION IV
CITY BACKGROUND DATA**



A. INTRODUCTION

HUD's 1996 *Fair Housing Planning Guide* advises grantees to include in the AI "jurisdictional background data" such as:

- ❖ Demographics
- ❖ Income
- ❖ Employment (for example, the location of jobs center in relation to planned housing; accessible transportation)
- ❖ Housing Profile (for example, housing types and affordability)

The existing demographic, income, employment and housing conditions provide the context within which the fair housing protected classes can improve their well-being and attain housing within their means and in neighborhoods of their choice. For instance, educational attainment influences wage and salary earnings which then impact the cost of housing that is affordable to South Gate's families.

B. POPULATION AND HOUSEHOLD CHARACTERISTICS

Table IV-1 shows the population and household characteristics in 2010 and 2019. During the almost nine-year time span, the population grew by almost 2,400 persons and the number of households (occupied housing units) increased by 239.

The numerical household increase of 239 seems out of sync with a population increase of nearly 2,400 persons. The population increase was primarily the consequence of an average household size increase from 4.05 to 4.11. Although the .06 household size increase seems small when it is applied to the 2010 number of households – 23,278 – it yields a population increase of 1,397 persons. The 4.11 average household size applied to the household increase of 239 yields a population increase of 984. The sum of these two figures is 2,381.

C. EXISTING HOUSING STOCK

Table IV-2 shows approximately 24,500 housing units comprise the housing stock. Single-family detached and attached homes account for just over 70% of the housing stock. Multi-family housing in structures containing 10 or more dwellings comprises almost 7% of the housing stock.

Multi-family housing (5+ units) constitutes the highest share (63.5%) of the dwellings added to the housing stock between 2010 and 2019. The increase in multifamily housing has enhanced housing diversity and furthers fair housing by providing a fuller range of housing choices. A diverse housing stock that is not exclusively single family homes fosters fair housing. Refer to Table IV-3 for the data on housing units added between 2010 and 2019.

D. HOMEOWNERSHIP

Homeownership is a key indicator of community and personal well-being because owning a home is often a household's major asset and home equity often contributes to a large share of wealth. Table IV-4 shows the 2000, 2010 and 2018 homeownership rates for South Gate, Los Angeles County, California and the nation. In all three periods, South Gate had a lower home ownership rate than the County, the State and the nation. During the 2000-2018 period, the percentage of owner-occupied housing decreased from 46.9% to 43.3%.

Table IV- 1
City of South Gate
Population and Household Characteristics: 2010 and 2019

| Population | April 1, 2010 | January 1, 2019 | Increase |
|---------------------------|----------------------|------------------------|-----------------|
| Group Quarters Population | 88 | 88 | 0 |
| Household Population | 94,308 | 96,689 | 2,381 |
| Total Population | 94,396 | 96,777 | 2,381 |
| Total Housing Units | 24,160 | 24,511 | 351 |
| Occupied Housing Units | 23,278 | 23,517 | 239 |
| Vacant Housing Units | 882 | 994 | 112 |
| Vacancy Rate | 3.7% | 4.1% | 0.4 |
| Persons per Household | 4.05 | 4.11 | 0.06 |

Source: April 1, 2010 Census and State of California, Department of Finance, *E-5 Population and Housing Estimates for Cities, Counties, and the State January 1, 2011-2019* Sacramento, California, May 2019

Table IV-2
City of South Gate
Housing Stock by Type of Unit: January 1, 2019

| Type of Unit | Number of Units | Percent |
|-----------------------------|------------------------|----------------|
| 1 unit, detached | 15,332 | 62.6% |
| 1 unit, attached | 1,935 | 7.9% |
| 2 to 4 units | 3,224 | 13.2% |
| 5-9 units | 2,069 | 8.4% |
| 10-19 units | 501 | 2.0% |
| 20-49 units | 232 | 0.9% |
| 50 or more units | 926 | 3.8% |
| Mobile homes, RV, Van, Etc. | 292 | 1.2% |
| Total | 24,511 | 100.0% |

Source: State of California, Department of Finance, *E-5 Population and Housing Estimates for Cities, Counties, and the State January 1, 2011-2019* Sacramento, California, May 2019

2018 American Community Survey 1-Year Estimates, Table B25024, Units in Structure

The 2018 American Community Survey data on units in structure were used to calculate the number of units in structures containing 5 or more units.

**Table IV-3
City of South Gate
Housing Stock Increase by Type of Unit
April, 1, 2010 to January 1, 2019**

| Type of Unit | 2010 | 2019 | Change | Percent |
|--------------------------------|---------------|---------------|---------------|----------------|
| 1 unit, detached | 15,285 | 15,332 | 47 | 13.4% |
| 1 unit, attached | 1,865 | 1,935 | 70 | 19.9% |
| 2 to 4 units | 3,214 | 3,224 | 10 | 2.8% |
| 5+ units | 3,505 | 3,728 | 223 | 63.5% |
| Mobile homes, RV, Van, Etc. | 291 | 292 | 1 | 0.3% |
| Total | 24,160 | 24,511 | 351 | 100.0% |

Source: April 1, 2010 Census and State of California, Department of Finance, *E-5 Population and Housing Estimates for Cities, Counties, and the State January 1, 2011-2019* Sacramento, California, May 2019

**Table IV-4
Comparison of Homeownership Rates by Year:
2000, 2010 and 2018**

| Area | 2000 | 2010 | 2018 |
|-----------------------|-------------|-------------|-------------|
| South Gate | 46.9% | 45.8% | 43.3% |
| Los Angeles County | 47.9% | 47.7% | 45.3% |
| California | 56.9% | 55.9% | 54.8% |
| Nation | 66.2% | 65.1% | 63.9% |

Source: 2000 Census of Population and Housing, Summary File 3, Table H007 Tenure
April 1, 2010 Census, Table DP-1 Profile of Population and Housing Characteristics: Housing Tenure
2018 American Community Survey 1-Year Estimates, Table B25003, Tenure

South Gate should have a homeownership rate greater than 43% because single family detached and attached homes comprise 70% of its housing stock. But, as Table IV-5 reveals, 37% of all single family detached and attached homes are *renter-occupied*.

Table IV-5
City of South Gate
Owner/Renter Occupancy of Single Family Homes: 2019

| Housing Type | Owner | Percent | Renter | Percent | Total |
|------------------------|--------|---------|--------|---------|--------|
| Single Family Detached | 10,395 | 67.8% | 4,937 | 32.2% | 15,332 |
| Single Family Attached | 476 | 24.6% | 1,459 | 75.4% | 1,935 |
| Total | 10,871 | 63.0% | 6,396 | 37.0% | 17,267 |

Source: 2018 American Community Survey 1-Year Estimates, Table B25032, Tenure by Units in Structure
State of California, Department of Finance, *E-5 Population and Housing Estimates for Cities, Counties, and the State January 1, 2011-2019* Sacramento, California, May 2019

E. HOUSEHOLD INCOME

Fair housing choice, according to HUD, means the ability of households of *similar income levels* regardless of race, color, religion, sex, national origin, familial status and disability to have available to them the same housing choices. This means, for instance, those households of different races but with similar income levels should have available to them the same housing choices. Another example is that female householders, male householders and married couples with similar income levels should have available to them the same housing choices. A housing market that treats female and male householders with annual incomes of \$60,000 *differently* would not be providing fair housing choice.

Household income has a positive impact on enabling people to find the housing of their choice. As incomes become higher, a fuller range of housing choice with respect to type, cost and neighborhood location become available to them.

Table IV-6 shows the number and percentages of households in five income groups by tenure. Approximately 70% of South Gate's 23,465 households have lower incomes, which makes them eligible to participate in the City's CDBG- and HOME-funded programs. *Extremely low income renters* comprise 19% of all the City's households (4,440/23,465).

The household income by tenure data in Table IV-6 is based on the 2012-2016 five-year American Community Survey estimate. Table IV-7 shows HUD's 2014 income limits, adjusted by household size. The extremely low income limit for a 4-person household was \$24,450. This annual household income level is below the poverty level for a two parent family with two children.

Table IV-6
City of South Gate
Household Income by Tenure: 2012-2016

| Household Income | Owner | Percent | Renter | Percent | Total | Percent |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Extremely Low | 1,125 | 10.7% | 4,440 | 34.2% | 5,565 | 23.7% |
| Very Low | 1,615 | 15.4% | 3,750 | 28.9% | 5,365 | 22.9% |
| Low | 2,800 | 26.7% | 2,750 | 21.2% | 5,550 | 23.7% |
| Moderate ¹ | 1,565 | 14.9% | 1,050 | 8.1% | 2,615 | 11.1% |
| Above Moderate ² | 3,385 | 32.3% | 985 | 7.6% | 4,370 | 18.6% |
| Total | 10,490 | 100.0% | 12,975 | 100.0% | 23,465 | 100.0% |

Extremely Low: Less than or = 30% HAMFI

Very Low: >30% to less than or = 50% HAMFI

Low: >50% to less than or = 80% HAMFI

Moderate: >80% to less than or = 100% HAMFI

Above Moderate: >100% HAMFI

HAMFI refers to HUD Area Median Family Income

Sources: Comprehensive Housing Affordability Strategy ("CHAS") Data, based on the 2012-2016 American Community Survey and Census 2010

Table IV--7
HUD FY 2014 Income Limits

| Number of Persons | Extremely Low | Very Low | Low |
|-------------------|---------------|----------|----------|
| 1 | \$17,150 | \$28,550 | \$45,650 |
| 2 | \$19,600 | \$32,600 | \$52,200 |
| 3 | \$22,050 | \$36,700 | \$58,700 |
| 4 | \$24,450 | \$40,750 | \$65,200 |
| 5 | \$27,910 | \$44,050 | \$70,450 |
| 6 | \$31,970 | \$47,300 | \$75,650 |
| 7 | \$36,030 | \$50,550 | \$80,850 |
| 8 | \$40,090 | \$53,800 | \$86,100 |

Note: The FY 2014 Consolidated Appropriations Act changed the definition of extremely low-income to be the greater of 30/50ths (60 percent) of the Section 8 very low-income limit or the poverty guideline as [established by the Department of Health and Human Services \(HHS\)](#), provided that this amount is not greater than the Section 8 50% very low-income limit. Consequently, the extremely low (30%) income limits may equal the very low (50%) income limits.

Source: U.S. Department of Housing and Urban Development, FY 2014 Income Limits Summary

F. POVERTY

Poor people are unable to enjoy access to housing in neighborhoods that offer opportunities such as superior schools and proximity to good parks and other amenities. Poverty measures the lack of income.

In accordance with the Consolidated Plan Final Rule, the City's FY 2020/2021-FY2024/2025 Consolidated Plan describes an anti-poverty strategy.

Measuring poverty is a two-step process:

- ❖ Establishing a poverty threshold which is the amount of money needed to achieve a minimum level of material well-being.
- ❖ Estimating families' cash and non-cash resources and comparing them to the poverty threshold to determine whether a family is below it and, therefore, defined as "poor".

Examples of official 2019 poverty thresholds are:

| | |
|---|----------|
| ❖ 1 person less than 65 years of age | \$13,300 |
| ❖ 2 people, householder less than 65 years of age | \$17,120 |
| ❖ 3 people, 1 child less than 18 years of age | \$20,578 |
| ❖ 4 people, 2 children less than 18 years of age | \$25,926 |

Table IV-8 shows families by type with annual incomes below the poverty level. The lowest poverty rates are experienced by married couple families and male householders without children. Female householders with children experience the highest poverty rate of almost 30%.

Table IV-9 reports on additional poverty statistics based on the official and California Poverty Measure (CPM) for the South Gate and Lynwood Cities Sub-Region. (Data are unavailable for South Gate alone.) The CPM accounts for how the social safety net – specifically, Cal Fresh, CalWORKS, the Earned Income Tax Credit (EITC) and other means-tested programs – moderates poverty. The CPM poverty rate is higher than the official poverty rate. Without the benefits of federal safety net programs the poverty rate would be significantly higher than the official poverty rate.

Safety net programs are meant to be a safety net to protect low-income families from poverty and hardship and catch them if they fall on hard times. Without the safety net programs, the City's poverty rate would increase by 14.1%

CalFresh is California's name for the Supplemental Nutrition Assistance Program (SNAP), the largest federally supported nutrition assistance program. CalFresh provides a monthly benefit that participating low-income families can use to buy groceries.

CalWORKs is the California Work Opportunity and Responsibility to Kids program, a federal cash assistance program for low-income families with dependent children (the federal name for the program is Temporary Assistance for Needy Families or TANF). The program provides a monthly benefit to eligible applicants and service to help parents move their families toward self-sufficiency.

The Earned Income Tax Credit is a federal tax credit available to families with dependent children who file a tax return. A small credit is available to low-income workers with no dependents. All family members must file with a social security number to be eligible for this credit. The credit is fully refundable, meaning that tax filers with no net tax liability receive the full amount for which they are eligible. The State of California has a similar program.

Attachment A describes three distinct poverty measures.

Table IV-8
City of South Gate
Poverty Status by Familial Status and Presence of Children-2018

| Family Type | Percent Below Poverty Level |
|---|--|
| Married Couple Families | 10.4% |
| With related children under 18 years | 13.9% |
| With no related children under 18 years | 6.6% |
| Male Householder, No Wife Present | 14.2% |
| With related children under 18 years | 19.9% |
| With no related children under 18 years | 8.4% |
| Female Householder, No Husband Present | 25.5% |
| With related children under 18 years | 29.6% |
| With no related children under 18 years | 20.0% |

Source: 2018 American Community Survey 1-Year Estimates, Table B17023, Poverty Status in the Past 12 Months of Families by Household Type by Number of Own Children Under 18 Years

Table IV-9
South Gate and Lynwood Cities Sub-Region Poverty Indicators: 2015-2017

| Poverty Indicator | | East |
|---|-----------------------------|----------|
| CPM poverty | Rate | 29.5% |
| | Rate margin of error (% pt) | 4.6% |
| | Number | 50,900 |
| | Number margin of error | 7,900 |
| Official poverty | Rate | 20.0% |
| | Rate margin of error (% pt) | 3.5% |
| CPM poverty threshold, family of 4 that rents | (\$) | \$32,038 |
| Increase in poverty without safety net | Increase (% pt) | 14.1% |
| | Margin of error (% pt) | 2.9% |
| Increase in poverty without CalFresh | Increase (% pt) | 4.0% |
| | Margin of error (% pt) | 1.7% |
| Increase in poverty without CalWORKs | Increase (% pt) | 2.9% |
| | Margin of error (% pt) | 1.5% |
| Increase in poverty without federal and state EITCs | Increase (% pt) | 4.3% |
| | Margin of error (% pt) | 1.9% |

Source: Public Policy Institute of California and Stanford Center on Poverty and Inequality, *Poverty Across California, 2015-2017*

G. LABOR FORCE AND EMPLOYMENT CHARACTERISTICS

Having a job and earning income is a prerequisite to enabling families to find housing of their choice, that is within their means, and that is located in neighborhoods they and their children like. Housing choice for all racial and ethnic groups is diminished when unemployment rates are high because they depress household income and increase the number of poverty income families.

Key labor force and employment terms are defined below:

Labor Force – All people classified in the civilian labor force plus members of the U.S. Armed Forces (people on active duty with the United States Army, Air Force, Navy, Marine Corps, or Coast Guard).

Labor Force Participation Rate – The labor force participation rate represents the proportion of the population that is in the labor force. For example, if there are 100 people in the population 16 years and over, and 64 of them are in the labor force, then the labor force participation rate for the population 16 years and over is 64%.

Not in Labor Force – All people 16 years old and over who are not classified as members of the labor force. This category consists mainly of students, homemakers, retired workers, seasonal workers interviewed in an off season who were not looking for work, institutionalized people, and people doing only incidental unpaid family work (less than 15 hours during the reference week).

Unemployment Rate – The unemployment rate represents the number of unemployed people as a percentage of the civilian labor force. For example, if the civilian labor force equals 100 people and 7 people are unemployed, then the unemployment rate is 7%.

South Gate's civilian labor force is approximately 47,000 persons 16 years of age or older, resulting in a labor force participation rate of 67.4%. The number of unemployed persons is almost 4,500, resulting in an unemployment rate of 9.5%. Refer to Table IV-10.

Table IV-10
City of South Gate
Labor Force and Employment Characteristics: 2018

| | 2018 |
|-------------------------------------|-------------|
| Population 16 years and over | 69,775 |
| In Civilian Labor Force* | 47,040 |
| % in Civilian Labor Force | 67.4% |
| Not in Civilian Labor Force | 22,735 |
| % Not in Civilian Labor Force | 32.6% |
| In Civilian Labor Force, Unemployed | 4,462 |
| Civilian Unemployment Rate | 9.5% |

*Does not include persons in the Armed Forces
Source: 2018 American Community Survey, 1-Year Estimates, Table B23025, Employment Status of the Population 16 Years and Over

Table IV-11 provides data on the industrial composition of the City's approximately 22,400 jobs.

The industry sectors with the largest number of jobs include education, retail trade and manufacturing. The industry sectors with the largest job gains over the past decade include education and retail trade.

The industry sector definitions are based on the North American Industry Classification System (NAICS). The Southern California Association of Governments (SCAG) has summarized the detailed NAICS definitions into several major areas. Attachment B provides brief descriptions of the major industries.

According to the South Gate Chamber of Commerce, the top 10 employers include:

- ❖ Koo's Manufacturing
- ❖ HUDD Transportation Services
- ❖ B. Hunt Transport, Inc.
- ❖ Tesoro
- ❖ AltaMed
- ❖ Primestor
- ❖ Rockview
- ❖ World Oil
- ❖ IRS Demo
- ❖ Edison International

Table IV-11
City of South Gate
Jobs by Sector: 2007 and 2017

| Job Sector | 2007 | | 2017 | | Net Change |
|---------------------------|--------|---------|--------|---------|------------|
| | Number | Percent | Number | Percent | |
| Agriculture | 103 | 0.5% | 0 | 0.0% | -103 |
| Public | 616 | 3.0% | 628 | 2.8% | 12 |
| Wholesale | 1,047 | 5.1% | 965 | 4.3% | -82 |
| Manufacturing | 3,880 | 18.9% | 3,545 | 15.8% | -335 |
| Transportation | 1,006 | 4.9% | 942 | 4.2% | -64 |
| Information | 246 | 1.2% | 359 | 1.6% | 113 |
| Other ¹ | 924 | 4.5% | 898 | 4.0% | -26 |
| Leisure | 1,766 | 8.6% | 1,975 | 8.8% | 209 |
| Retail | 3,552 | 17.3% | 4,420 | 19.7% | 869 |
| Construction | 760 | 3.7% | 651 | 2.9% | -109 |
| Education | 4,558 | 22.2% | 6,036 | 26.9% | 1,478 |
| Finance | 944 | 4.6% | 763 | 3.4% | -181 |
| Professional ² | 1,129 | 5.5% | 1,257 | 5.6% | 127 |
| Total | 20,530 | 100.0% | 22,439 | 100.0% | 1,909 |

Note: The above are an estimate of the number of jobs located within the City limits per a communication from SCAG staff.

Source: Southern California Association of Governments, City of South Gate Local Profile Report, May 2019, pages 24 and 27

H. COMMUTING PATTERNS

Almost 7% percent of the City's workforce both live and work in South Gate. Table IV-12 reveals that the City's residents have numerous work destinations. Approximately one of every four workers commutes to jobs located in Los Angeles.

Long commutes can cause unusually high transportation costs and reduce the amount of income that can be allocated to housing costs. According to SCAG data, between 2000 and 2018, the average one-way travel time to work remained about the same at 32 minutes. In 2018, 53% of South Gate commuters spent more than 30 minutes to travel to work. In fact, 15% of all workers had one-way commutes of 60 minutes or longer.

Table IV-12
Top Places Where Residents Commute to Work: 2016

| Place | Number of Commuters | Percent |
|-------------------------|---------------------|---------|
| Los Angeles | 8,064 | 25.8% |
| South Gate | 2,067 | 6.6% |
| Long Beach | 1,167 | 3.7% |
| Vernon | 1,126 | 3.6% |
| Commerce | 798 | 2.6% |
| Santa Fe Springs | 794 | 2.5% |
| Downey | 750 | 2.4% |
| Carson | 675 | 2.2% |
| Torrance | 576 | 1.8% |
| Lynwood | 495 | 1.6% |
| All Other Destinations* | 14,770 | 47.2% |
| Total | 31,282 | 100.0% |

Southern California Association of Governments, *Profile of the City of South Gate*, May 2019, page 21

I. JOBS ACCESSIBILITY

HUD's *Fair Housing Planning Guide* suggest that an AI include an analysis of -

- ❖ The locations of job centers in the jurisdiction and in nearby jurisdictions which now offer or will offer jobs
- ❖ The geographic relationship of such centers to the current and planned locations of housing for lower-income households (employment opportunity/housing linkage impacts heavily on fair housing choice for lower-income persons)

SCAG's *Regional Housing Needs Assessment Allocation Methodology* has developed data that provides insights on jobs accessibility and the relationship between jobs and housing. Job accessibility is based on the share of the region's jobs accessible by a 30 minute commute by car in 2045. Importantly, the RHNA methodology's job access factor is *not* based on the number of jobs within a jurisdiction. Rather, it is a measure based on of how many jobs can be *accessed* from that jurisdiction within a 30-minute commute, which includes jobs in other jurisdictions. Since over 80% of SCAG region workers live and work in different jurisdictions, genuinely improving the relationship between jobs and housing necessitates an approach based on job access rather than the number of jobs in a jurisdiction.

Thus, the job accessibility measure is expressed as the *percentage of the region's employment* which can be reasonably accessed from each location or jurisdiction within in the southern California region. According to this measure, 18.2% of the jobs in the SCAG Region are accessible to South Gate's neighborhoods. In contrast, the inland city of Corona has 8.3% of the region's jobs accessible to its neighborhoods. The cities of Ventura and Brawley have 2.7% and 1.2% of the region's jobs accessible to their neighborhoods.

J. TRANSIT ACCESSIBILITY

HUD's *Fair Housing Planning Guide* suggest that an AI include an analysis of -

- ❖ The need for accessible public transportation, including train or bus service, and subsidized low- or no-cost van pools to link job centers with lower-income housing locations (transportation services are essential where employment opportunities are not near lower-income housing supplies).

SCAG's *Regional Housing Needs Assessment Allocation Methodology* has developed data that provides insights on transit accessibility. SCAG has developed a measure called High Quality Transit Areas (HQTAs) which are areas within a half-mile of transit stations and corridors with at least a 15 minute headway during peak hours for bus service. HQTAs are based on state statutory definitions of high quality transit corridors (HQTCs) and major transit stops.

According to this measure, 85% of South Gate's population will be living within a 2045 HQTA. Exhibit IV-1 shows the boundaries of the geographic areas that are located within the High Quality Transit Areas.

K. EDUCATIONAL ATTAINMENT

Higher incomes enable households to more effectively acquire housing of their choice and within their means. And householders with higher levels of educational achievement, on average, have higher earnings. One of the ways to improve economic well-being is through educational attainment: better educated and skilled residents earn higher wages.

Table IV-13 indicates the educational attainment of the population 25 years of age and older. About 10% of the population has a Bachelor's, Graduate or Professional Degree. Approximately 44% of the population is not a high school graduate.

Table IV-14 demonstrates that median earnings increase as a higher level of educational attainment is achieved. The median earnings of a person with a Bachelor's degree are almost \$26,000 higher than of a person who did not graduate from high school.

Exhibit IV-1
High Quality Transit Area

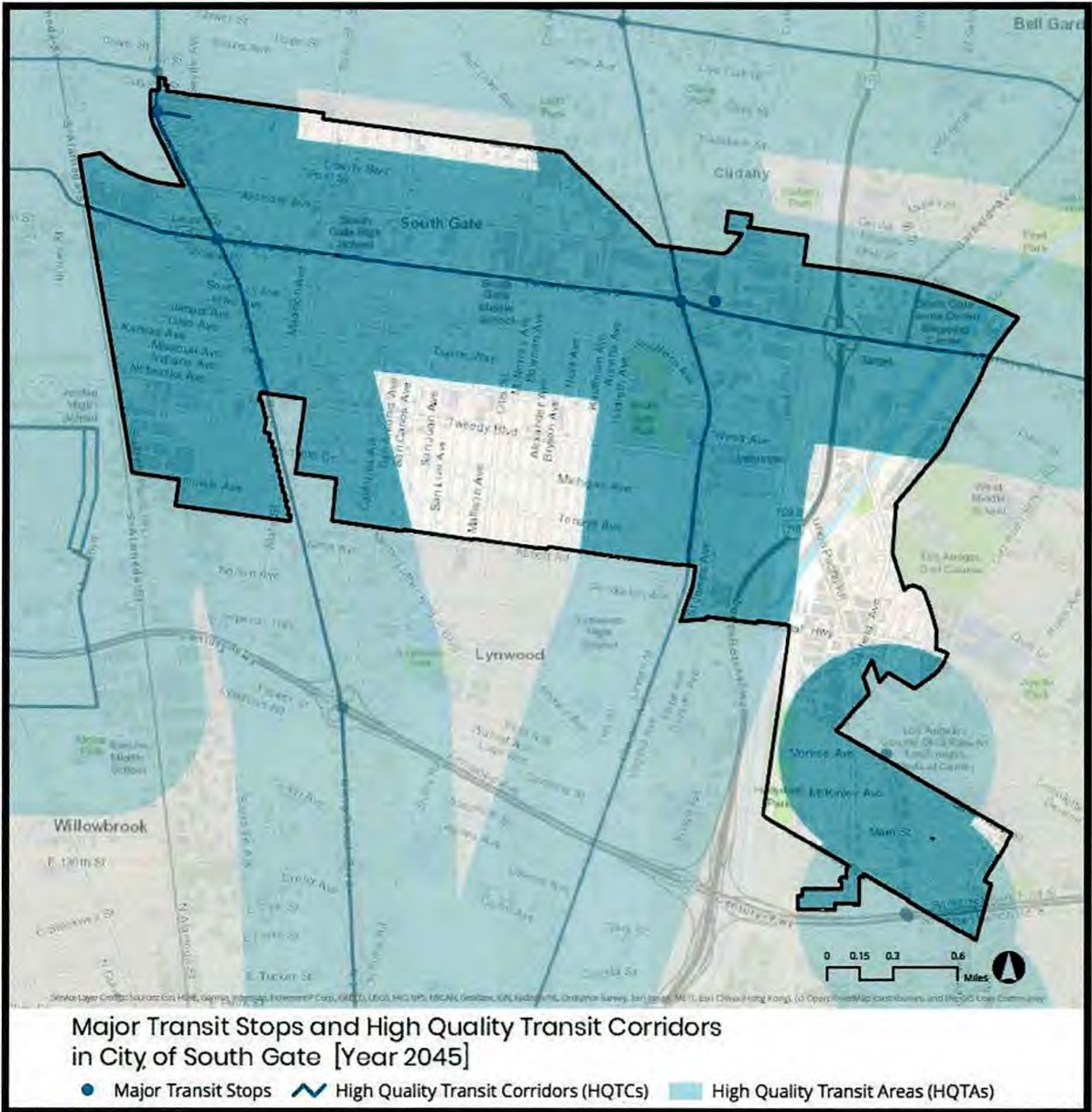


Table IV-13
City of South Gate
Educational Attainment for the Population 25 Years and Over: 2018

| Educational Attainment | Number | Percent |
|--|---------------|----------------|
| 8 th Grade or Less | 15,379 | 27.1% |
| 9 th -11 th Grades | 6,049 | 10.7% |
| 12 th Grade, No Diploma | 3,281 | 5.8% |
| High School Graduate | 14,267 | 25.1% |
| Some College | 9,745 | 17.2% |
| Associate's Degree | 2,180 | 3.8% |
| Bachelor's Degree | 3,958 | 7.0% |
| Master's Degree | 1,613 | 2.8% |
| Doctorate Degree | 0 | 0.0% |
| Professional Degree | 257 | 0.5% |
| Total | 56,729 | 100.0% |

Source: 2018 American Community Survey 1-Year Estimates, Table B15002, Sex by Educational Attainment for the Population 25 Years and Over

Table IV-14
City of South Gate
Median Earnings by Educational Attainment: 2018

| Educational Attainment | Median Earnings |
|------------------------------------|------------------------|
| Less than High School Graduate | \$35,492 |
| High School Graduate | \$31,975 |
| Some College or Associate's Degree | \$35,104 |
| Bachelor's Degree | \$32,064 |
| Graduate or Professional Degree | \$61,342 |

Source: 2018 American Community Survey 1-Year Estimates, Table B20004, Median Earnings in the Past 12 Months (in 2018 Inflation-Adjusted Dollars) by Sex by Educational Attainment for the Population 25 Years and Over

ATTACHMENT A HOW IS POVERTY MEASURED?

Measuring poverty is typically a two-step process. First, researchers create a poverty threshold—a representation of the amount of resources necessary to achieve a minimum level of material well-being. Second, they estimate families' resources and compare them to the poverty threshold to determine whether a family is below it (and therefore defined as "poor"). Poverty then refers to persons who are income poor and, perhaps, have no income at all. It also refers to a measure of economic need.

The three poverty measures are:

- Official Poverty Measure (OPM)
- Supplemental Poverty Measure (SPM)
- California Poverty Measure (CPM)

1. OFFICIAL POVERTY MEASURE (OPM)

When the original poverty definition was developed in 1964 by the Social Security Administration (SSA), it focused on family food consumption. The U.S. Department of Agriculture (USDA) used its data about the nutritional needs of children and adults to construct food plans for families. Within each food plan, dollar amounts varied according to the total number of people in the family and the family's composition, that is, the number of children within each family. The cheapest of these plans, the Economy Food Plan, was designed to address the dietary needs of families on an austere budget.

Since the USDA's 1965 Food Consumption Survey showed that families of three or more people across all income levels spent roughly one-third of their income on food, the SSA multiplied the cost of the Economy Food Plan by three to obtain dollar figures for total family income. These dollar figures, with some adjustments, later became the official poverty thresholds. Since the Economy Food Plan budgets varied by family size and composition, so too did the poverty thresholds. For two-person families, the thresholds were adjusted by slightly higher factors because those households had higher fixed costs. Thresholds for unrelated individuals were calculated as a fixed proportion of the corresponding thresholds for two-person families.

The poverty thresholds are revised annually to allow for changes in the cost of living as reflected in the Consumer Price Index for All Urban Consumers (CPI-U). **The poverty thresholds are the same for all parts of the country;** they are not adjusted for regional, state, or local variations in the cost of living.

Poverty status is determined for all people except institutionalized people, people in military group quarters, people in college dormitories, and unrelated individuals under 15 years old. These groups are excluded from the numerator and denominator when calculating poverty rates.

2. SUPPLEMENTAL POVERTY MEASURE (SPM)

The U.S. Census Bureau has conducted research on a Supplemental Poverty Measure (SPM). The official poverty measure, as defined by the Office of Management and Budget (OMB) Statistical Directive No. 14, will not be replaced by the SPM. The reason is that the official

measure is identified in legislation regarding program eligibility and funding distribution. The SPM is designed to provide information on aggregate levels of economic need at a national level or within large subpopulations or areas.

The SPM compares costs to family resources, as follows:

FCSU – a dollar amount spent on food, clothing, shelter and utilities plus a small amount to allow for other needs such as household supplies, personal care, and non-work-related transportation.

Family resources – the sum of cash income plus any federal government noncash benefits that families can use to meet their FCSU needs minus taxes (plus tax credits), work expenses, child care expenses, and medical out-of-pocket (MOOP) expenses. Examples of federal government noncash benefits include Supplemental Nutritional Assistance (SNAP), National School Lunch Program, Supplementary Nutrition Program for Women, Infants and Children (WIC), housing subsidies, and Lower Income Home Energy Assistance Program (LIHEAP).

The Supplemental Poverty Measure is calculated as the 33rd percentile of expenditures on food, clothing, shelter, and utilities (FCSU) of consumer units with two children multiplied by 1.2.

3. THE CALIFORNIA POVERTY MEASURE (CPM)

A joint project of the Public Policy Institute of California and the Stanford University Center on Poverty and Income, the California Poverty Measure (CPM) is part of a national effort to measure poverty in a more comprehensive way. According to its authors –

The CPM illuminates the important role of the social safety net – specifically, Cal Fresh, CalWORKS, the Earned Income Tax Credit (EITC) and other means-tested programs – in moderating poverty.

The CPM measures poverty as follows:

A family is considered to be poor if its resources fall short of the poverty threshold. The CPM combines a family's annual cash income (including earnings and government-provided cash benefits like CalWORKs), its tax obligation—a net income boost to low-income families that qualify for tax credits—and in-kind benefits like CalFresh. (The official poverty calculus includes only the first category of resources, cash income.) It then subtracts major nondiscretionary expenses. Finally, the CPM compares these resources to a family-specific poverty threshold—the monetary resources needed to maintain a basic standard of living. Unlike official poverty thresholds, CPM thresholds are pegged to recent nationwide spending levels on food, shelter, clothing, and utilities and are further adjusted to account for differences in housing costs across counties and to differentiate among those who are renting, paying a mortgage, or living in a paid-off home.

In summary, the Public Policy Institute of California explains:

The CPM accounts for the fact that, for most Californians, high living costs—particularly housing costs—offset the resources they have available to make ends meet. We also factor in expenses that eat into resources and drive up poverty, particularly medical

expenses borne by older adults. Work expenses such as commuting costs and childcare also play a role in raising the poverty rate under the CPM.

At the same time, we find that government programs play a substantial role in alleviating poverty. In the absence of cash-based, in-kind, and tax-based safety net programs, our estimate of child poverty would be 39.0 percent, 13.9 percentage points higher than the actual estimate of 25.1 percent. For working-age and older adults, the combined role of these programs was smaller, but still considerable.

Sources: Public Policy Institute of California, *The California Poverty Measure: A New Look at the Social Safety Net*, October 2013, 26 pages

In 2017, the statewide poverty rates by race and ethnicity are listed below:

| | |
|---------------------------|-------|
| ❖ White, Non-Hispanic | 12.5% |
| ❖ Asian/Pacific Islanders | 16.4% |
| ❖ Black, Non-Hispanic | 17.6% |
| ❖ Other | 18.5% |
| ❖ Hispanic | 23.6% |

Though poverty among Latinos is down from 30.9% in 2011, Latinos remain disproportionately poor (making up 52.2% of poor Californians but 39.4% of all Californians). More education continues to be associated with strikingly lower poverty rates: 7.8% of adults age 25–64 with a college degree were in poverty, compared with 31.8% of those without a high school diploma.

Source: Public Policy Institute of California, *Poverty in California*, July 2019, 3 pages

**ATTACHMENT B
INDUSTRY DEFINITIONS**

The data sources for estimating jurisdiction employment and wage information include the 2010 U.S. Census Bureau Local Employment Dynamics Survey, and information from the California Employment Development Department, InfoGroup, and SCAG for years 2007-2017. In many instances, employment totals from individual businesses were geocoded and aggregated to the jurisdictional level.

Employment information by industry type is defined by the North American Industry Classification System (NAICS). Although the NAICS provides a great level of detail on industry definitions for all types of businesses in North America, for the purposes of this report, this list of industries has been summarized into the following major areas: agriculture, construction, manufacturing, wholesale, retail, information, finance/insurance/real estate, professional/management, education/health, leisure/hospitality, public administration, other services, and non-classified industries. A brief description of each major industry area is provided below:

- ❖ **Agriculture:** Includes crop production, animal production and aquaculture, forestry and logging, fishing, hunting, and trapping, and support activities for agriculture and forestry.
- ❖ **Construction:** Includes activities involving the construction of buildings, heavy and civil engineering construction, and specialty trade contractors.
- ❖ **Manufacturing:** Includes the processing of raw material into products for trade, such as food manufacturing, apparel manufacturing, wood product manufacturing, petroleum and coal products manufacturing, chemical manufacturing, plastics and rubber products manufacturing, nonmetallic mineral product manufacturing and primary metal manufacturing.
- ❖ **Wholesale:** Includes activities conducting the trade of raw materials and durable goods.
- ❖ **Retail:** Includes activities engaged in the sale of durable goods directly to consumers.
- ❖ **Information:** Includes activities that specialize in the distribution of content through a means of sources, including newspaper, internet, periodicals, books, software, motion pictures, sound recording, radio and television broadcasting, cable or subscription programming, telecommunications, data processing/hosting, and other information media.
- ❖ **Finance/Insurance/Real Estate:** Includes businesses associated with banking, consumer lending, credit intermediation, securities brokerage, commodities exchanges, health/life/medical/title/ property/casualty insurance agencies and brokerages, and real estate rental/leasing/sales.
- ❖ **Professional/Management:** Includes activities that specialize in professional/scientific/technical services, management of companies and enterprises, and administrative and support services. Establishment types may include law offices,

accounting services, architectural/engineering firms, specialized design services, computer systems design and related services, management consulting firms, scientific research and development services, advertising firms, office administrative services, and facilities support services.

- ❖ **Education/Health:** Organizations include elementary and secondary schools, junior colleges, universities, professional schools, technical and trade schools, medical offices, dental offices, outpatient care centers, medical and diagnostic laboratories, hospitals, nursing and residential care facilities, social assistance services, emergency relief services, vocational rehabilitation services, and child day care services.
- ❖ **Leisure/Hospitality:** Includes activities involved in the performing arts, spectator sports, museums, amusement/recreation, travel accommodations, and food and drink services.
- ❖ **Public Administration:** Includes public sector organizations, such as legislative bodies, public finance institutions, executive and legislative offices, courts, police protection, parole offices, fire protection, correctional institutions, administration of governmental programs, space research and technology, and national security.
- ❖ **Other Services:** Includes, for example, automotive repair and maintenance, personal and household goods repair and maintenance, personal laundry services, dry-cleaning and laundry services, religious services, social advocacy organizations, professional organizations, and private households.
- ❖ **Non-Classified:** All other work activities that are not included in the North American Industry Classification System.

SECTION V
FAIR HOUSING PROTECTED GROUPS



A. INTRODUCTION**1. Introduction**

A “protected class” is a group of people with a common characteristic who are legally protected

According to HUD:

- ❖ *Protected Characteristics* are race, color, religion, sex, familial status, national origin, having a disability, and having a type of disability. (24 C.F.R. § 5.152)
- ❖ *Protected Class* means a group of persons who have the same protected characteristic; e.g., a group of persons who are of the same race are a protected class. Similarly, a person who has a mobility disability is a member of the protected class of persons with disabilities and a member of the protected class of persons with mobility disabilities. (24 C.F.R. § 5.152)

The Fair Housing Foundation (FHF), which has offices in Long Beach and Anaheim, provides fair housing and landlord/tenant counseling services to South Gate’s residents and apartment managers. According to the FHF, Federal and State laws prohibit discrimination in the sale, rental, leasing, negotiation, advertising, and financing of housing based on the following:

Federal

- ❖ Race
- ❖ Color
- ❖ National Origin
- ❖ Disability: Mental and Physical
- ❖ Religion
- ❖ Sex
- ❖ Familial Status

California

- ❖ Marital Status
- ❖ Ancestry
- ❖ Source of Income
- ❖ Sexual Orientation
- ❖ Age
- ❖ Arbitrary: Physical Characteristics
- ❖ Gender Identity, Gender Expression
- ❖ Citizenship
- ❖ Primary Language
- ❖ Immigration Status

The Fair Housing Act prohibits both intentional discrimination and policies and practices that discriminate against the seven protected classes/groups. According to HUD’s Office of General Counsel (OGC), people with limited English proficiency (LEP) are not a protected class under the Fair Housing Act. However, the OGC explains that there is a close link between LEP and certain racial and national origin groups. Therefore, HUD advises that an analysis of people with LEP be included in the AI.

2. Definitions of Fair Housing Protected Classes and Discrimination Examples

a. Race

The Fair Housing Act does not define race. Data on race is required for many federal programs and the Census Bureau collects race data in accordance with guidelines provided by the U.S. Office of Management and Budget (OMB) and these data are based on self-identification. The racial categories included in the census form generally reflect a *social definition* of race recognized in this country, and are not an attempt to define race biologically, anthropologically or genetically. In addition, the Census Bureau recognizes that the categories of the race item include both racial and national origin or socio-cultural groups. Census 2010 and the American Community Survey provide for six race categories: White; Black, African American or Negro; American Indian or Alaska Native; Asian; Native Hawaiian or Other Pacific Islander; and Some Other Race.

Example: Discrimination against African-Americans by a Caucasian apartment manager.

b. Color

The Fair Housing Act does not define color. However, it must refer to the complexion of a person's skin color or pigmentation. The 2010 racial categories can be traced to Statistical Policy Directive No.15, promulgated by the OMB on May 12, 1977. "The four racial categories stipulated in the (1977) directive parallel the classic nineteenth-century color designations of black, white, red (American Indian or Alaska native), and yellow (Asian or Pacific Islander); there is no brown race in the American ethnoracial taxonomy." [Victoria Hattam, "Ethnicity & the Boundaries of Race: Re-reading Directive 15," *Daedalus*, Winter 2005, page 63]

Example: Discrimination against a dark-skinned African-American by a light-skinned African-American.

c. National Origin

"National origin" means the geographic area in which a person was born or from which his or her ancestors came.¹⁵ The geographic area need not be a country for it to be considered someone's "national origin," but rather can be a region within a country, or a region that spans multiple countries. In general, national origin discrimination can occur even if a defendant does not know, or is mistaken about, precisely from where the plaintiff originates.

Example: Discrimination against a Puerto Rican individual by a Mexican property owner.

d. Disabled/Disability

The term "disability" means, with respect to an individual:

- ❖ A physical or mental impairment that substantially limits one or more major life activities of such individual;
- ❖ A record of such an impairment; or
- ❖ Being regarded as having such impairment.

Disability does not include current, illegal use of or addiction to a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)).

Example: Not allowing a disabled individual to have a service animal in a renter's apartment.

e. Religion

Religion refers to all aspects of religious belief, observance, and practice. According to the United States Department of Justice, this prohibition covers instances of overt discrimination against members of a particular religion as well as less direct actions, such as zoning ordinances designed to limit the use of private homes as places of worship.

Example: Discriminating against non-Catholics (Muslim, Buddhist, etc.) because of their religion.

f. Sex

The protected group includes gender (male or female), gender identity, and gender expression. California's Fair Employment and Housing Act defines "sex" as including, but not limited to, pregnancy, childbirth, medical conditions related to pregnancy or childbirth and a person's gender, as defined in Section 422.56 of the Penal Code. Government Code Section 12926(p)

Example: A property manager refusing to rent an apartment to a female householder.

g. Familial Status

Familial Status means one or more individuals (who have not attained the age of 18 years) being domiciled with--

- ❖ A parent or another person having legal custody of such individual or individuals; or
- ❖ The designee of such parent or other person having such custody, with the written permission of such parent or other person.

The protections afforded against discrimination on the basis of familial status shall apply to any person who is pregnant or is in the process of securing legal custody of any individual who has not attained the age of 18 years. (42 U.S.C. 3602(k))

Example: Forcing families with children to live on the first floor, or not renting to individuals with young children.

Section V contains the following data:

- ❖ The numbers of people who are member of each protected class.
- ❖ The percentage of fair housing inquiries, allegations and discrimination complaints made by residents who are members each protected class.
- ❖ The socio-economic characteristics of each protected class such as the number and percentage of households with incomes below the poverty level and owner/renter status.
- ❖ Statistics that establish benchmarks to track trends such as whether the protected classes have increased their ownership rates or reduced poverty levels

Data are unavailable on the religious affiliation of South Gate's population.

B. RACE/COLOR**1. Population Characteristics by Race and Ethnicity****a. Race and Ethnic Categories**

Census 2010 and the American Community Survey provide for six race categories:

- ❖ White Alone
- ❖ Black, African American or Negro Alone
- ❖ American Indian or Alaska Native Alone
- ❖ Asian Alone
- ❖ Native Hawaiian or Other Pacific Islander Alone
- ❖ Some Other Race Alone

Individuals who chose more than one of the six race categories are referred to as the *two or more races* population. All respondents who indicated more than one race can be collapsed into the *two or more races* category, which combined with the six *alone* categories, yields seven mutually exclusive categories. Thus, the six race *alone* categories and the *two or more races* category sum to the total population.

b. Definitions of Non-Minority and Minority Populations

The *non-minority* population is White, Non-Hispanic or Latino. All other population groups comprise the minority population. The minority population is defined in the same way by the Office of Management and Budget (OMB), Federal Department of Transportation (DOT), Federal Financial Institutions Examination Council (FFIEC), and Council on Environmental Quality (CEQ - environmental justice guidelines).

The race and ethnic categories follow the Office of Management and Budget (OMB) Policy Directive No. 15 (May 12, 1977) and the 1997 revisions. The OMB's efforts are to standardize the racial and ethnic categories so that federal government agencies can monitor discrimination, as required by the Civil Rights Act of 1964, the Voting Rights Act of 1965, the Fair Housing Act of 1968, the Equal Credit Opportunity Act of 1974, and the Home Mortgage Disclosure Act of 1975.

Source: Victoria Hattam, "Ethnicity & the American Boundaries of Race: Rereading Directive 15," *Daedalus* – Journal of the American Academy of the Arts & Sciences, Winter 2005, pgs. 61-62

Ethnicity means being of Hispanic or Latino Origin or not being of such origin.

Refer to the next page for definitions of race and Hispanic or Latino origin.

Census Definitions of Race

White. A person having origins in any of the original peoples of Europe, the Middle East, or North Africa. It includes people who indicate their race as "White" or report entries such as Irish, German, Italian, Lebanese, Arab, Moroccan, or Caucasian.

Black or African American. A person having origins in any of the Black racial groups of Africa. It includes people who indicate their race as "Black, African Am., or Negro" or report entries such as African American, Kenyan, Nigerian, or Haitian.

American Indian or Alaska Native. A person having origins in any of the original peoples of North and South America (including Central America) and who maintains tribal affiliation or community attachment. This category includes people who indicate their race as "American Indian or Alaska Native" or report entries such as Navajo, Blackfeet, Inupiat, Yup'ik, or Central American Indian groups or South American Indian groups.

Asian. A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam. It includes people who indicate their race as "Asian Indian," "Chinese," "Filipino," "Korean," "Japanese," "Vietnamese," and "Other Asian" or provide other detailed Asian responses.

Native Hawaiian or Other Pacific Islander. A person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands. It includes people who indicate their race as "Native Hawaiian," "Guamanian or Chamorro," "Samoan," and "Other Pacific Islander" or provide other detailed Pacific Islander responses.

Some Other Race. Includes all other responses not included in the "White," "Black or African American," "American Indian or Alaska Native," "Asian," and "Native Hawaiian or Other Pacific Islander" race categories described above. Respondents reporting entries such as multiracial, mixed, interracial, or a Hispanic, Latino, or Spanish group (for example, Mexican, Puerto Rican, Cuban, or Spanish) in response to the race question are included in this category.

Two or More Races. People may choose to provide two or more races either by checking two or more race response check boxes, by providing multiple responses, or by some combination of check boxes and other responses. The race response categories shown on the questionnaire are collapsed into the five minimum race groups identified by OMB and the Census Bureau's "Some Other Race" category. For data product purposes, "Two or More Races" refers to combinations of two or more of the following race categories: White, Black or African American, American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, and Some Other Race.

There are 57 possible combinations involving the race categories shown above. Thus, according to this approach, a response of "White" and "Asian" was tallied as Two or More Races, while a response of "Japanese" and "Chinese" was not because "Japanese" and "Chinese" are both Asian responses.

Census Definitions of Hispanic or Latino Origin

People who identify with the terms "Hispanic," "Latino," or "Spanish" are those who classify themselves in one of the specific Hispanic, Latino, or Spanish categories listed on the questionnaire ("Mexican," "Puerto Rican," or "Cuban") as well as those who indicate that they are "another Hispanic, Latino, or Spanish origin." People who do not identify with one of the specific origins listed on the questionnaire but indicate that they are "another Hispanic, Latino, or Spanish origin" are those whose origins are from Spain, the Spanish-speaking countries of Central or South America, or the Dominican Republic.

c. South Gate's Population by Race and Ethnicity

In the four-year period from 2015 to 2018, 16% of the bases of housing discrimination complaints filed with the DFEH were race and color. According to HUD, race was the basis for 5% of the housing discrimination complaints filed by South Gate residents between 2010 and 2019.

According to the FHF, race was the basis for approximately --% of the housing inquiries and allegations filed by South Gate residents between FY 2015/2016 and FY 2018/FY2019.

Table V-1 shows the population growth by race and ethnicity between 2010 and 2018. During this period, the groups experiencing population gains include Hispanic or Latino; Black or African American; Asian; and Native Hawaiian/Pacific Islander.

Table V-1
City of South Gate
Population Growth by Race and Ethnicity: 2010 to 2018

| Race/Ethnicity | 2010 | 2018 | Increase/ Decrease |
|--|---------------|---------------|-------------------------------|
| Hispanic or Latino | 89,442 | 90,380 | 938 |
| Not Hispanic or Latino | | | |
| White Alone | 3,233 | 2,954 | -279 |
| Black or African American Alone | 585 | 620 | 35 |
| American Indian and Alaska Native Alone | 110 | 72 | -38 |
| Asian Alone | 647 | 703 | 56 |
| Native Hawaiian and Other Pacific Islander Alone | 69 | 178 | 109 |
| Some Other Race Alone | 147 | 32 | -115 |
| Two or More Races | 163 | 164 | 1 |
| Total | 94,396 | 95,103 | 707 |

Source: Census 2010 Summary File 1, Table P9 Hispanic or Latino, and Not Hispanic or Latino Origin by Race. 2018 American Community Survey 1-Year Estimates, Table B03002

d. Race of Hispanic or Latino and Not Hispanic or Latino Populations

Table V-2 shows that in 2018, 90,380 persons identified themselves as being of Hispanic or Latino Origin. With respect to race –

- ❖ About 60% of the Hispanic population said that their race was White Alone
- ❖ Almost 37% said they belonged to Some Other Race
- ❖ 2% identified themselves as having Two or More Races

The majority of South Gate's population is White because three of every five Hispanics identify with the White Alone race category,

Table V-2
City of South Gate
Race of Hispanic or Latino and Not Hispanic or Latino Populations: 2018

| Race | Hispanic or Latino | Percent | Not Hispanic or Latino | Percent | Total | Percent |
|--|-----------------------|---------|------------------------------|---------|--------|---------|
| White Alone | 54,576 | 60.4% | 2,954 | 62.5% | 57,530 | 60.5% |
| Black or African American Alone | 186 | 0.2% | 620 | 13.1% | 806 | 0.8% |
| Asian Alone | 8 | 0.0% | 703 | 14.9% | 711 | 0.7% |
| American Indian or Alaska Native Alone | 525 | 0.6% | 72 | 1.5% | 597 | 0.6% |
| Hawaiian or Other Pacific Islander Alone | 7 | 0.0% | 178 | 3.8% | 185 | 0.2% |
| Some Other Race Alone | 33,276 | 36.8% | 32 | 0.7% | 33,308 | 35.1% |
| Two or More Races | 1,802 | 2.0% | 164 | 3.5% | 1,966 | 2.1% |
| Total | 90,380 | 100.0% | 4,723 | 100.0% | 95,103 | 100.0% |
| Percent Hispanic and Not Hispanic | 95.0% | | 5.0% | | | |

Source: 2018 American Community Survey 1-Year Estimates, Table B03002: Hispanic or Latino Origin by Race

2. Median Household Income, Poverty and Tenure Characteristics by Race and Ethnicity

a. Median Household Income and Poverty Income by Race and Ethnicity

The median household income of the different population groups vary significantly. The Black or African American households have the lowest median household income at approximately \$29,500. In contrast, the Asian households have the highest median household income at \$81,250. The Hispanic households are in the middle of these two groups with a median household income of approximately \$50,400. Refer to Table V-3.

Table V-4 shows that three groups have poverty rates exceeding 25%: Native Hawaiian or Other Pacific Islander; American Indian and Alaska Native; and Black or African American. Although poverty rates differ, any household with such low incomes – regardless of race or ethnicity – would be unable to afford market rate housing. Householders with poverty level incomes cannot attain housing within their means or of their choice.

b. Tenure by Race and Ethnicity

Existing and would be homeowners may experience housing discrimination during the process of buying a home. For instance, discriminatory behavior could be made by real estate agents, appraisers, lenders, and home insurance agents. Renters, on the other hand, could be denied access to housing while in-place tenants could be discriminated against by landlords. Most housing discrimination complaints are made by in-place renters.

Almost 60% of the South Gate's households are renter households. In fact, only two groups have a homeownership rate of more than 50%: White Alone, Not Hispanic and Native Hawaiian or Other Pacific Islander householders. Refer to Table V-5.

There is a high correlation between the number and percentage of renter households and the need for fair housing services. The overwhelming majority of the alleged housing discriminatory acts reported to HUD and the Fair Housing Foundation are filed by renter householders.

Table V-3
City of South Gate
Median Household Income in the Past 12 Months
(In 2018 Inflation-Adjusted Dollars)

| Population Group | Median Income |
|-------------------------|----------------------|
| Asian Alone | \$81,250 |
| Hispanic | \$50,418 |
| SORA ¹ | \$50,712 |
| White Alone | \$49,633 |
| White, Not Hispanic | \$48,281 |
| 2 or More Races | \$51,635 |
| Black/African American | \$29,536 |
| Native Hawaiian | \$43,264 |

¹ Some Other Race Alone

Source: 2014-2018 American Community Survey 5-Year Estimates, Table S1903 Median Income in the Past 12 Months (in 2018 Inflation-Adjusted Dollars)

Table V-4
City of South Gate
Poverty Status by Race and Ethnicity: 2014-2018

| Race/Ethnicity | Population for Whom Poverty Status is Determined | Number Below Poverty Level | Percent Below Poverty Level¹ |
|---|---|-----------------------------------|--|
| One Race | | | |
| White | 57,388 | 10,302 | 18.0% |
| Black or African American | 789 | 217 | 27.5% |
| American Indian and Alaskan Native | 597 | 165 | 27.6% |
| Asian | 697 | 31 | 4.4% |
| Native Hawaiian or Other Pacific Islander | 185 | 65 | 35.1% |
| Some Other Race | 33,283 | 6,771 | 20.3% |
| Two or More Races | 1,937 | 258 | 13.3% |
| Total | 94,876 | 17,809 | 18.8% |
| Hispanic or Latino of any race | 90,209 | 17,064 | 18.9% |
| White Alone, Not Hispanic | 2,925 | 397 | 13.6% |

Source: 2014-2018 American Community Survey 5-Year Estimates, Table S1701 Poverty Status in the Past 12 Months

Table V-5
City of South Gate
Homeownership Rates by Race and Ethnicity: 2018

| Race/Ethnicity | Owners | Renters |
|---|---------------|----------------|
| White | 42.4% | 57.6% |
| Black or African American | 26.2% | 73.8% |
| American Indian/Alaska Native | 30.9% | 69.1% |
| Asian | 50.0% | 50.0% |
| Native Hawaiian or Other Pacific Islander | 89.5% | 10.5% |
| Some Other Race | 42.3% | 57.7% |
| Two or More Races | 37.4% | 62.6% |
| Hispanic or Latino of any race | 41.0% | 59.0% |
| White Alone, Not Hispanic | 67.0% | 33.0% |
| Total | 42.3% | 57.7% |

Sources: 2014-2018 American Community Survey 5-Year Estimates, Table B25003A-I Tenure by Race/Ethnicity

C. SEX OF HOUSEHOLDER

1. Population Characteristics

Federal and State fair housing laws prohibit discrimination based on a person's sex. The United States Department of Justice (DOJ) has stated:

The Fair Housing Act makes it unlawful to discriminate in housing on the basis of sex. In recent years, the Department's focus in this area has been to challenge *sexual harassment* in housing. Women, particularly those who are *poor*, and with limited housing options, often have little recourse but to tolerate the humiliation and degradation of sexual harassment or risk having their families and themselves removed from their homes.

In addition, *pricing discrimination* in mortgage lending may also adversely affect women, particularly minority women. This type of discrimination is unlawful under both the Fair Housing Act and the Equal Credit Opportunity Act. [Emphasis added]

Source: United States Department of Justice, Civil Rights Division, Housing and Civil Enforcement Section, *The Fair Housing Act*, July 25, 2008, pages 2 and 3

In the four-year period from 2015 to 2018, 5% of the bases of housing discrimination complaints filed with the DFEH were sex-gender. According to HUD, sex was the basis for 12% of the housing discrimination complaints filed by South Gate residents between 2010 and 2019.

According to the FHF, sex was the basis for approximately --% of the housing inquiries and allegations filed by South Gate residents between FY 2015/2016 and FY 2018/FY2019.

Table V-6 presents data on the number of householders by type. Female and male householders account for almost one-third (30.1%) of all householders. Householders living alone account for one-eighth of all householders (12.2%).

Table V-6
City of South Gate
Number of Households by Type: 2018

| Household Type | Number | Percent |
|-----------------------------|--------|---------|
| Married Couples | 13,114 | 55.4% |
| Female Householders | 4,174 | 17.6% |
| Male Householders | 2,963 | 12.5% |
| Householder Living Alone | 2,881 | 12.2% |
| Householder Living w/Others | 559 | 2.4% |
| Total | 23,691 | 100.0% |

Source: 2018 American Community Survey 1-Year Estimates,
Table S2501 Occupancy Characteristics

2. Tenure by Household Type and Sex of Householder

Table V-7 provides information on the owner-renter status of different household types. Married couple families are the largest household type and the only group that is predominantly homeowners. The second largest household type is female householders which has a homeownership rate of almost 35%.

Table V-7
City of South Gate
Tenure by Household Type: 2018

| Household Type | Owner | Percent | Renter | Percent | Total |
|--|--------|---------|--------|---------|--------|
| Married-Couple Family | 6,756 | 51.5% | 6,358 | 48.5% | 13,114 |
| Male Householder, No Wife Present | 1,027 | 34.7% | 1,936 | 65.3% | 2,963 |
| Female Householder, No Husband Present | 1,446 | 34.6% | 2,728 | 65.4% | 4,174 |
| Householder Living Alone | 861 | 29.9% | 2,020 | 70.1% | 2,881 |
| Householder Living With Others | 178 | 31.8% | 381 | 68.2% | 559 |
| Total | 10,268 | 43.3% | 13,423 | 56.7% | 23,691 |

Source: 2018 American Community Survey 1-Year Estimates, Table B25011: Tenure by Household Type (Including Living Alone) and Age of Householder

3. Socio/economic Characteristics of Female Householders

Poor women, as noted above by the DOJ, are often the victims of sexual harassment. Almost 30% of female householders with children have incomes below the poverty level.

Almost 1,200 female householders have recently received food stamps. And 82% of the female householders who received food stamp benefits have children. Refer to Table V-8 on the next page.

Table V-8
City of South Gate
Female Householders by Presence of Children and SNAP Benefits: 2018

| Status | Children | No Children | Total | Percent |
|-----------------------------|-----------------|--------------------|--------------|----------------|
| Received Food Stamps | 961 | 211 | 1,172 | 28.1% |
| Did Not Receive Food Stamps | 1,932 | 1,070 | 3,002 | 71.9% |
| Total | 2,893 | 1,281 | 4,174 | 100.0% |

Source: 2018 American Community Survey 1-Year Estimates, Table B22002, Receipt of Food Stamps/SNAP in the Past 12 Months by Presence of Children under 18 Years by Household Type for Households

D. NATIONAL ORIGIN/ANCESTRY

The Fair Housing Act and California Fair Employment and Housing Act prohibit discrimination based upon national origin. According to the United States Department of Justice, such discrimination can be based either upon the country of an individual's birth or where his or her ancestors originated.

In the four-year period from 2015 to 2018, 5% of the bases of housing discrimination complaints filed with the DFEH were national origin. According to HUD, national origin was the basis for 24% of the housing discrimination complaints filed by South Gate residents between 2010 and 2019.

According to the FHF, national origin was the basis for approximately --% of the housing inquiries and allegations filed by South Gate residents between FY 2015/2016 and FY 2018/FY2019.

1. Foreign Born Population by Region of Birth

The foreign-born population includes anyone who is not a U.S. citizen or a U.S. national at birth, including respondents who indicated they were a U.S. citizen by naturalization or not a U.S. citizen. Table V-9 indicates that South Gate's foreign born population consists of approximately 41,000 persons. Of this total number almost 98% were born in Latin America

2. Ethnicity or Origins of the Population

a. Origins of the Hispanic or Latino Population

Almost 91,000 Hispanic or Latino persons reside in South Gate. Table V-10 shows that Mexico is the origin of almost 86% of all Hispanic persons. Between 2010 and 2018, there was a percentage increase in Hispanics identifying Mexico as their place of origin.

b. Other Population Groups

Because of their low population totals, the American Community Survey did not publish detailed origin data for the other population groups.

Table V-9
City of South Gate
Foreign Born Population by Region of Birth: 2014-2018

| Region | Number | Percent |
|---------------|--------|---------|
| Europe | 206 | 0.5% |
| Asia | 535 | 1.3% |
| Africa | 123 | 0.3% |
| Oceania | 41 | 0.1% |
| Latin America | 40,240 | 97.8% |
| North America | 0 | 0.0% |
| Total | 41,145 | 100.0% |

Source: 2014-2018 American Community Survey 5-Year Estimates, Table S0502, Selected Characteristics of the Foreign Born Population by Period of Entry into the United States

Table V-10
City of South Gate
Persons of Hispanic Origin: 2010 and 2014-2018

| Hispanic Origin | 2010 | | 2018 | |
|-------------------------|--------|---------|--------|---------|
| | Number | Percent | Number | Percent |
| Mexican | 73,677 | 82.4% | 77,824 | 85.6% |
| Puerto Rican | 464 | 0.5% | 0 | 0.0% |
| Cuban | 754 | 0.8% | 317 | 0.3% |
| Other Spanish/Hispanic* | 14,547 | 16.3% | 12,795 | 14.1% |
| Total | 89,442 | 100.0% | 90,936 | 100.0% |

Source: 2010 Census Summary File 1, QT-P3 Race and Hispanic or Latino Origin
 2014-2018 American Community Survey 5-Year Estimates, Table DP05: ACS Demographic and Housing Estimates

E. FAMILIAL STATUS

1. Population Characteristics

The Fair Housing Amendments Act of 1988 prohibits discriminatory housing practices based on familial status. In most instances, according to the United States Department of Justice, the Act prohibits a housing provider from refusing to rent or sell to families with children. However, housing may be designated as housing for older persons (55 years + of age). This type of housing, which meets the standards set forth in the Housing for Older Persons Act of 1995, may operate as “senior housing” and exclude families with children.

The Act protects families with children less than 18 years of age, pregnant women, or families in the process of securing custody of a child under 18 years of age. The Department of Justice has stated:

In addition to prohibiting the outright denial of housing to families with children, the Act also prevents housing providers from imposing any special requirements or conditions on tenants with children. For example, landlords may not locate families with children in any single portion of a complex, place an unreasonable restriction on the number of persons who may reside in a dwelling, or limit their access to recreational services provided to other tenants.

Source: United States Department of Justice, Civil Rights Division, Housing and Civil Enforcement Section, *The Fair Housing Act*, July 25, 2008, page 3

In the four-year period from 2015 to 2018, 8% of the bases of housing discrimination complaints filed with the DFEH were familial status. According to HUD, familial status was the basis for 42% of the housing discrimination complaints filed by South Gate residents between 2010 and 2019.

According to the FHF, familial status was the basis for approximately --% of the housing inquiries and allegations filed by South Gate residents between FY 2015/2016 and FY 2018/FY2019.

The 2018 ACS data shows that the City had almost 23,700 households: Forty-five percent of all households have children. In fact, 57% of the female householders have children. Refer to Table V-11.

Non-family households do not have children. A non-family household is a householder *living alone* or with *nonrelatives* only. Unmarried couple households, whether opposite-sex or same-sex, with no relatives of the householder present are tabulated in nonfamily households.

2. Poverty and Tenure by Familial Status

a. Poverty Income by Familial Status and Presence of Children

Poverty by family type offers another indicator of the well-being of families. Married couple families with and without children have comparatively low poverty rates. Female householders with children experience the highest poverty rate of 29.6%. Refer to Table V-12.

Table V-11
City of South Gate
Households with Children: 2018

| Household Type | Number | With Children | Percent With Children |
|---|---------------|----------------------|------------------------------|
| Married Couples | 13,114 | 6,797 | 51.8% |
| Female Householders, No Husband Present | 4,174 | 2,381 | 57.0% |
| Male Householders, No Wife Present | 2,963 | 1,491 | 50.3% |
| Non-Family Householders | 3,440 | 0 | 0.0% |
| Total | 23,691 | 10,669 | 45.0% |

Source: 2018 American Community Survey 1-Year Estimates, Table B25115: Tenure by Household Type and Presences and Age of Own Children

Table V-12
City of South Gate
Poverty Status by Familial Status and Presence of Children-2018

| Family Type | Percent Below Poverty Level |
|---|------------------------------------|
| Married Couple Families | 10.4% |
| With related children under 18 years | 13.9% |
| With no related children under 18 years | 6.6% |
| Male Householder, No Wife Present | 14.2% |
| With related children under 18 years | 19.9% |
| With no related children under 18 years | 8.4% |
| Female Householder, No Husband Present | 25.5% |
| With related children under 18 years | 29.6% |
| With no related children under 18 years | 20.0% |

Source: 2018 American Community Survey 1-Year Estimates, Table B17023, Poverty Status in the Past 12 Months of Families by Household Type by Number of Own Children Under 18 Years

b. Tenure by Familial Status

The need for fair housing services is directly correlated to size of the fair housing protected groups against whom housing discrimination is practiced. In-place renters are the group that makes the majority of housing discrimination complaints. Table V-13 indicates that more than 13,000 renter households reside in South Gate.

These data demonstrate a need for the City to continue to support the provision of fair housing services to its residents.

Table V-13
City of South Gate
Tenure by Presence of Children: 2018

| Presence of Children | Owner | Percent | Renter | Percent | Total | Percent |
|----------------------------------|---------------|----------------|---------------|----------------|---------------|----------------|
| With Own Children Under 18 Years | 3,735 | 34.9% | 6,964 | 65.1% | 10,699 | 45.2% |
| No Own Children Under 18 Years | 5,494 | 57.5% | 4,058 | 42.5% | 9,552 | 40.3% |
| Nonfamily Households | 1,039 | 30.2% | 2,401 | 69.8% | 3,440 | 14.5% |
| Total | 10,268 | 43.3% | 13,423 | 56.7% | 23,691 | 100.0% |

Source: 2018 American Community Survey 1-Year Estimates, Table B25115: Tenure by Household Type and Presences and Age of Own Children.

F. HANDICAP/DISABILITY

1. Background

The Fair Housing Act prohibits discriminatory housing practices based on handicap/disability. Among other prohibitions, the Act is intended to prohibit the application of special restrictive covenants and conditional or special use permits that have the effect of limiting the ability of such individuals to live in the residence of their choice. Fair housing laws, therefore, make it illegal to deny a housing opportunity on the basis of disabilities.

In addition, the law prohibits applying one standard to one class of individuals while applying a different standard to another class of individuals. For example, it would be illegal to ask a disabled individual applying for an apartment to provide a credit report if non-disabled applicants do not have to provide one.

Housing opportunities for disabled persons are impeded by practices in both the private and public sectors. For instance, "denied reasonable modification/accommodation" is often cited as an alleged act in housing discrimination complaints. Additionally, apartment rental ads often state "no pets allowed," even though disabled persons may have service or companion animals. In the public sector, housing opportunities can be impeded because a community has not adopted a reasonable accommodation procedure, or if adopted has not made the procedure widely known in the community.

The United States Department of Justice has indicated a major focus of its efforts is on public sector impediments that may restrict housing opportunities for disabled persons. The Department has stated:

The Division's enforcement of the Fair Housing Act's protections for persons with disabilities has concentrated on two major areas. One is insuring that zoning and other regulations concerning land use are not employed to hinder the residential choices of these individuals, including unnecessarily restricting communal, or congregate, residential arrangements, such as group homes. The second area is insuring that newly constructed multifamily housing is built in accordance with the Fair Housing Act's accessibility requirements so that it is accessible to and usable by people with disabilities, and, in particular, those who use wheelchairs.

Source: United States Department of Justice, Civil Rights Division, Housing and Civil Enforcement Section, *The Fair Housing Act*, July 25, 2008, page 4

In the four-year period from 2015 to 2018, 30% of the bases of housing discrimination complaints filed with the DFEH were disability. According to HUD, disability was the basis for 12% of the housing discrimination complaints filed by South Gate residents between 2010 and 2019.

According to the FHF, disability was the basis for approximately --% of the housing inquiries and allegations filed by South Gate residents between FY 2015/2016 and FY 2018/FY2019.

2. Estimates of People with Disabilities

Of the civilian noninstitutionalized population, an estimated 8.2% or approximately 7,700 people have a disability. Nearly one-half of the senior population 75 years old or older has a disability. Table V-14 presents the disability prevalence rates by age group.

Table V-14
City of South Gate
Disability Status of Civilian Non-institutionalized
Population by Age Group: 2018

| Age Group | Disabled Population | Total Population | Percent Disabled |
|-------------|---------------------|------------------|------------------|
| < 5 years | 48 | 7,144 | 0.7% |
| 5-17 years | 787 | 20,079 | 3.9% |
| 18-34 years | 1120 | 24,934 | 4.5% |
| 35-64 years | 2983 | 33,317 | 9.0% |
| 65-74 years | 1332 | 5,797 | 23.0% |
| 75 years+ | 1429 | 3,103 | 46.1% |
| Total | 7,699 | 94,374 | 8.2% |

Source: 2018 American Community Survey 1-Year Estimates, Table B18101, Sex by Age by Disability Status

Table V-15 shows that one in four households have a member with a disability, a proportion much higher than for the non-institutionalized population. The reason for the difference in rates may be that many elderly and frail elderly persons live alone in one person households. That is, these households comprise a large share of all households, but not of the total population.

Table V-15
City of South Gate
Disabled Householders: 2018

| Household Disability Status | Number | Percent |
|---|---------------|----------------|
| Households with one or more persons with a disability | 5,505 | 23.2% |
| Households with no persons with a disability | 18,186 | 76.8% |
| Total | 23,691 | 100.0% |

Source: 2018 American Community Survey 1-Year Estimates, Table B22010, Receipt of Food Stamps/SNAP in the Past 12 Months by Disability Status for Households

G. LIMITED ENGLISH PROFICIENCY(LEP)

LEP refers to a person's limited ability to read, write, speak, or understand English. Individuals who are LEP are not a protected class under the federal Fair Housing Act. Nonetheless, the Act prohibits housing providers from using LEP selectively based on a protected class or as a pretext for discrimination because of a protected class. The Act also prohibits housing providers from using LEP in a way that causes an unjustified discriminatory effect.

The American Community Survey defines a "limited English speaking household" as one in which **no** member 14 years old and over (1) speaks only English at home or (2) speaks a language other than English at home and speaks English "Very well." This question identifies households that may need English-language assistance.

There are approximately 5,500 limited English speaking households residing in South Gate. Almost all of these households - 97% - are Spanish speaking. Limited English speaking households comprise nearly one-fourth of all households living in the City. Refer to Table V-16.

Table V-16
City of South Gate
Limited English Speaking Households: 2014-2018

| Households Speaking | Limited English-Speaking Households | Percent of all Limited English-Speaking Households¹ |
|------------------------------------|--|---|
| Spanish | 5,384 | 97.0% |
| Other Indo-European Languages | 87 | 1.6% |
| Asian and Pacific Island Languages | 82 | 1.5% |
| Other Languages | 0 | 0.0% |
| Total | 5,553 | 100.0% |

Source: 2014-2018 American Community Survey 5-Year Estimates, Table S1602, Limited English Speaking Households

**SECTION VI
PRIVATE SECTOR IMPEDIMENTS ANALYSIS**



A. INTRODUCTION

Section VI presents the analysis of nine potential or actual private sector impediments to fair housing choice. Private sector impediments are discriminatory practices prohibited by the 1968 federal Fair Housing Act, as amended, and the California Fair Employment and Housing Act. Table VI-1 lists the pages which present information on each impediment.

Table VI-1
City of South Gate
Analysis of Impediments to Fair Housing Choice
Page References for Discussion of Private Sector Fair Housing Impediments

| Fair Housing Impediment | Page References |
|---------------------------------|------------------------|
| ❖ Population Diversity | VI-1 to VI-8 |
| ❖ Housing Discrimination | VI-9 to VI-11 |
| ❖ Brokerage Services | VI-12 to VI-13 |
| ❖ Steering | VI-13 to VI-15 |
| ❖ Appraisal Practices | VI-15 to VI-16 |
| ❖ Lending Practices | VI-16 to VI-24 |
| ❖ Property Management Practices | VI-24 to VI-31 |
| ❖ Discriminatory Advertising | VI-31 to VI-33 |
| ❖ Hate Crimes | VI-33 to VI-34 |

The format for presenting information on each potential or actual impediment includes:

- ❖ Background – an explanation of why a specific practice is prohibited and how it creates an impediment to fair housing choice.
- ❖ Analysis – a discussion of data to determine if the prohibited discriminatory practices create an impediment to fair housing choice.
- ❖ Conclusions and Recommendations – a brief explanation of whether an impediment to fair housing choice exists and of recommended actions that will be implemented by the City and Fair Housing Foundation, the City's fair housing provider.

B. POPULATION DIVERSITY**1. Background**

HUD's 1996 *Fair Housing Planning Guide* states:

In the AI, the jurisdiction should describe the degree of segregation by race and ethnicity.

The metrics for measuring population diversity, meaning the level of racial integration and segregation, include:

- ❖ Index of Dissimilarity
- ❖ Racially/ethnically concentrated areas of poverty (R/ECAPs)
- ❖ Areas of minority population concentration

2. Analysis

a. Index of Dissimilarity

HUD's *Assessment of Fair Housing Tool for Local Governments* states that the Index of Dissimilarity measures the degree to which two groups are evenly distributed across a geographic area and is a commonly used tool for assessing residential segregation between two groups.

The values of the Dissimilarity Index range from 0 to 100. An index value of 0 indicates that a city is completely integrated when measuring for example the distributions of Whites and Blacks, while an index value of 100 indicates the city is completely segregated. The value of the Dissimilarity Index is based on the proportion of the two groups within each census tract relative to the distribution of the two groups in the city. It is not based on the proportion of the two groups within the city. Table VI-1 provides an example that helps to explain the DI.

**Table VI-1
Dissimilarity Index Example**

| Census Tract | City A | | City B | | City C | |
|---------------------|--------|-------|--------|-------|--------|-------|
| | White | Black | White | Black | White | Black |
| 100 | 3,900 | 100 | 0 | 200 | 0 | 200 |
| 101 | 3,900 | 100 | 0 | 200 | 3,900 | 100 |
| 102 | 3,900 | 100 | 7,800 | 0 | 3,900 | 100 |
| 103 | 3,900 | 100 | 7,800 | 0 | 7,800 | 0 |
| Total | 15,600 | 400 | 15,600 | 400 | 15,600 | 400 |
| Dissimilarity Index | 0 | | 100 | | 50 | |

In each of these hypothetical cities, there are 15,600 Whites (97.5%) and 400 Blacks (2.5%). Because of the small proportion (2.5%) of Blacks, these cities could be labelled as "segregated." However, the Dissimilarity Index for these cities ranges from 0 to 100.

The difference in the values of the Dissimilarity Index is based on the distribution of the White and Black populations within each of the census tracts. In City A with a Dissimilarity Index of 0, the proportion of Whites and Blacks in each census tract is the same. In City B with a Dissimilarity Index of 100, all the Whites are in two census tracts and all the Blacks are in two census tracts. In City C with a Dissimilarity Index of 50, there is one census tract that is exclusively Black, one census tract that is exclusively White, and two tracts where the proportion of Blacks to White is the same and is relative to the City's proportion of the two groups.

HUD defines three segregation levels:

| | Value | Level of Segregation |
|--|----------|----------------------|
| Dissimilarity Index Value (0-100) | 0-39.99 | Low Segregation |
| | 40-54.99 | Moderate Segregation |
| | 55-100 | High Segregation |

Brown University's Diversity and Disparities database has calculated an Index of Dissimilarity for cities throughout the United States. Using 2010 Census data, Brown University calculated the City of South Gate's Index of Dissimilarity and the index reveals a Low Segregation Level for all racial/ethnic group pairings as follows:

| | |
|---------------------------------|------|
| ❖ White-Black/Black-White | 25.6 |
| ❖ White-Hispanic/Hispanic-White | 29.8 |
| ❖ White-Asian/Asian-White | 14.0 |
| ❖ Black-Hispanic/Hispanic-Black | 29.1 |
| ❖ Black-Asian/Asian-Black | 29.8 |
| ❖ Hispanic-Asian/Asian-Hispanic | 38.4 |

The link to Brown University's Diversity and Disparities database is <https://s4.ad.brown.edu/projects/diversity/>

b. Racially/Ethnically Concentrated Areas of Poverty (R/ECAPs)

To assist communities in identifying racially or ethnically-concentrated areas of poverty, HUD developed a census tract-based definition of R/ECAPs. The definition involves a racial/ethnic concentration threshold and a poverty test:

- ❖ A nonwhite population of 50% or more
- ❖ A poverty rate that exceeds 40% or is three or more times the average tract poverty rate for the metropolitan area, whichever threshold is lower

Table VI-2 shows that none of South Gate's census tract has a poverty rate of 40% or more. Therefore, the City has no racially/ethnically concentrated areas of poverty.

**Table VI-2
City of South Gate
Poverty Rates by Census Tract**

| Census Tract | Population for Whom Poverty Status is Determined | Number Below poverty Level | Percent Below Poverty |
|---------------------|---|-----------------------------------|------------------------------|
| 5355.01 | 3,814 | 1,000 | 26.2% |
| 5355.02 | 5,243 | 1,154 | 22.0% |
| 5355.03 | 2,151 | 402 | 18.7% |
| 5356.03 | 3,756 | 968 | 25.8% |
| 5356.04 | 4,334 | 910 | 21.0% |
| 5356.05 | 4,715 | 1,070 | 22.7% |
| 5356.06 | 2,165 | 313 | 14.5% |
| 5356.07 | 4,949 | 1,115 | 22.5% |
| 5357.01 | 5,620 | 572 | 10.2% |
| 5357.02 | 4,984 | 1,281 | 25.7% |
| 5358.02 | 6,231 | 1,029 | 16.5% |
| 5358.03 | 4,570 | 746 | 16.3% |
| 5358.04 | 5,633 | 1,382 | 24.5% |
| 5359.01 | 5,688 | 1,156 | 20.3% |
| 5359.02 | 7,233 | 572 | 7.9% |
| 5360.00 | 3,684 | 593 | 16.1% |
| 5361.02 | 3,281 | 377 | 11.5% |
| 5361.03 | 5,447 | 964 | 17.7% |
| 5361.04 | 4,072 | 900 | 22.1% |
| 5362.00 | 7,306 | 1,305 | 17.9% |
| Total | 94,876 | 17,809 | 18.8% |

Note: This data is for the entire census tract regardless of city boundaries.

Source: American Community Survey (ACS) 2014-2018 5-Year Estimates, Table: S1701 Poverty Status in the Past 12 Months.

c. Areas of Minority Population Concentration

HUD rules require the City's Consolidated Plan to describe any area of minority concentration and state how the jurisdiction defines the term "area of minority concentration." Neither the Consolidated Plan rules nor the 1996 *Fair Housing Planning Guide* offers guidance on how the City should define an area of minority concentration.

The 2020-2025 Consolidated Plan describes the guidance provided by HUD on what constitutes a "concentration". The standard selected by the Consolidated Plan is when a neighborhood's total percentage of *minority persons* is at least 20 percentage points higher than the total percentage of all minorities for the Metropolitan Statistical Area (MSA) as a whole.

The City is located within Los Angeles-Long Beach –Santa Ana CA Metro Area. The minority population percentage of the Metro Area is 68.5% (8,802,783/12,849,383). Thus, an area of minority concentration is a census tract having 88.5% of the population identifying with a minority group. All census tracts have a minority population higher than 88.5%. Refer to Table VI-3.

d. Impact of Population Growth Trends on Population Diversity

Population projections by race and ethnicity for the City are unavailable as they have not been prepared by the State Department of Finance (DOF), the Southern California Association of Governments (SCAG) or other governmental agencies. However, DOF has prepared population projections by race and ethnicity for the entire Los Angeles County area.

The patterns of demographic change in Los Angeles County are likely to have a much greater impact on the City of South Gate than the Los Angeles-Long Beach-Anaheim region. Table VI-4 presents population projections by race and ethnicity for Los Angeles County from 2020 to 2030. Over this 10-year period, the Los Angeles County population is projected to add approximately 123,000 people, which is a slight increase of 1.2%. The largest growth, both numerically and percentage wise, will be the Asian population. It will grow by over 206,000 representing a 12.5% increase. Hispanics will increase by nearly 149,000 and will remain the single largest racial/ethnic group in Los Angeles County.

Although the growth of the population representing Two or More Races will experience a numerical increase of approximately 26,000, the percentage increase will be the second highest at 12.3%, nearly matching the rate of projected for Asians. Both the White population and the Black or African American population are expected to decline. The White population is projected to decline by nearly 239,000, a 9.1% decrease, while the Black or African American population is projected to decline by 21,306 or 2.6%. Overall, these data indicate that the minority population of Los Angeles County will grow and will represent a larger portion of the population. Minorities make up approximately 74.3% of Los Angeles County's population currently and will represent nearly 77% of the population in 2030.

(The minority population percentage Los Angeles County is higher than the region's because the region also includes Orange County.)

SECTION VI

PRIVATE SECTOR IMPEDIMENTS ANALYSIS

Table VI-3
City of South Gate
Minority population by Census Tract

| Census Tract | White alone | Hispanic or Latino (of any race) | Black or African American alone | American Indian and Alaska Native alone | Asian alone | Native Hawaiian and Other Pacific Islander alone | Some other race alone | Two or more races | Total | Percent Minority |
|----------------|--------------|----------------------------------|---------------------------------|---|-------------|--|-----------------------|-------------------|---------------|------------------|
| 5355.01 | 54 | 3,876 | 5 | 0 | 4 | 5 | 0 | 5 | 3,949 | 98.6% |
| 5355.02 | 118 | 5,012 | 45 | 0 | 27 | 0 | 0 | 0 | 5,202 | 97.7% |
| 5355.03 | 26 | 2,339 | 0 | 12 | 0 | 0 | 0 | 16 | 2,393 | 98.9% |
| 5356.03 | 13 | 3,511 | 62 | 0 | 7 | 0 | 0 | 0 | 3,593 | 99.6% |
| 5356.04 | 26 | 4,326 | 0 | 0 | 0 | 0 | 0 | 0 | 4,352 | 99.4% |
| 5356.05 | 25 | 4,589 | 0 | 0 | 40 | 0 | 0 | 0 | 4,654 | 99.5% |
| 5356.06 | 62 | 2,006 | 14 | 0 | 0 | 6 | 0 | 18 | 2,106 | 97.1% |
| 5356.07 | 50 | 4,994 | 31 | 0 | 0 | 0 | 0 | 0 | 5,075 | 99.0% |
| 5357.01 | 50 | 5,593 | 0 | 0 | 99 | 0 | 0 | 7 | 5,749 | 99.1% |
| 5357.02 | 286 | 4,448 | 0 | 0 | 0 | 0 | 0 | 29 | 4,763 | 94.0% |
| 5358.02 | 347 | 6,172 | 0 | 0 | 0 | 13 | 0 | 25 | 6,557 | 94.7% |
| 5358.03 | 40 | 4,405 | 0 | 0 | 9 | 0 | 22 | 0 | 4,476 | 99.1% |
| 5358.04 | 139 | 5,458 | 34 | 0 | 0 | 0 | 0 | 0 | 5,631 | 97.5% |
| 5359.01 | 51 | 5,673 | 10 | 0 | 0 | 0 | 0 | 0 | 5,734 | 99.1% |
| 5359.02 | 309 | 6,684 | 0 | 0 | 40 | 0 | 0 | 21 | 7,054 | 95.6% |
| 5360 | 49 | 3,724 | 13 | 24 | 12 | 0 | 0 | 0 | 3,822 | 98.7% |
| 5361.02 | 730 | 2,641 | 17 | 0 | 14 | 9 | 0 | 8 | 3,419 | 78.6% |
| 5361.03 | 117 | 5,434 | 7 | 0 | 18 | 0 | 0 | 34 | 5,610 | 97.9% |
| 5361.04 | 79 | 3,818 | 131 | 0 | 18 | 53 | 3 | 20 | 4,122 | 98.1% |
| 5362.00 | 462 | 6,181 | 206 | 0 | 267 | 43 | 0 | 0 | 7,159 | 93.5% |
| Total | 3,033 | 90,884 | 575 | 36 | 555 | 129 | 25 | 183 | 95,420 | 96.8% |
| Percent | 3.2% | 95.2% | 0.6% | 0.0% | 0.6% | 0.1% | 0.0% | 0.2% | 100.0% | |

Source: 2013-2017 American Community Survey, Table DP05 ACS Demographic and Housing Estimates

Table VI-4
Los Angeles County Population Growth: 2020-2030

| Race/Ethnicity | 2020 | 2025 | 2030 | Net Gain 2020-2030 | Percent Change |
|--|-------------------|-------------------|-------------------|-------------------------------|---------------------------|
| Hispanic or Latino | 4,877,565 | 4,933,953 | 5,026,691 | 149,126 | 3.06% |
| Not Hispanic or Latino | | | | | |
| White Alone | 2,637,825 | 2,526,327 | 2,398,864 | -238,961 | -9.1% |
| Black or African American Alone | 833,261 | 822,422 | 811,955 | -21,306 | -2.6% |
| American Indian and Alaska Native Alone | 29,994 | 30,862 | 31,723 | 1,729 | 5.8% |
| Asian Alone | 1,646,804 | 1,755,669 | 1,853,082 | 206,278 | 12.5% |
| Native Hawaiian and Pacific Islander Alone | 23,806 | 23,890 | 24,131 | 325 | 1.4% |
| Two or More Races | 208,302 | 221,344 | 234,000 | 25,698 | 12.3% |
| Total | 10,257,557 | 10,314,467 | 10,380,446 | 122,889 | 1.2% |

Source: Demographic Research Unit, California Department of Finance, January 2020

Since there are no city level population projections by race and ethnicity available, one can only speculate that these same patterns of growth will occur in South Gate. With the decrease in the White population in Los Angeles County and the increase of Hispanics and Asians in particular, it is likely that the population of South Gate will have fewer Whites, and more Hispanics and Asians. The effects of the slight decrease in the Black or African American population could result in fewer Blacks or African Americans by 2030 or possibly little change within the City. Thus, with the declining size of the White population and the increase size of the Asian and Hispanic populations, there is a low and more likely a zero probability that neighborhoods could change to majority White neighborhoods by 2030.

e. Components of Population Change

Population change is the product of four components: Births, Deaths, In-Migration and Out-Migration (Net Migration). Over the next ten years, most of Los Angeles County' total population growth will come from natural increase (238,693), which is Births (991,841) less deaths (753,148). With higher fertility rates and a larger population base, most of the births will be Hispanic. Based on patterns from the previous decade, Asians will represent the largest share of the in-migrants, as large numbers of Blacks, Hispanics and Whites will migrate out of Los Angeles County, mostly to the counties to the east. Deaths over the next 10 years will be dominated by Whites. Within this demographic environment, South Gate's minority population will likely grow relative to the White population.

Refer to Table VI-5 on the next page for details concerning the components of change.

**Table VI-5
Los Angeles County Population Growth 2020-2030
Components of Change**

| | |
|-------------------------|------------|
| Population 2020 | 10,257,557 |
| Births 2020-2029 | 991,841 |
| Deaths 2020-2029 | 753,148 |
| Net Migration 2020-2029 | -115,804 |
| Population 2030 | 10,380,446 |

Source: Demographic Research Unit, California Department of Finance, January 2020

3. Conclusions and Recommendations

Although the City as whole has a low segregation level, all neighborhoods have minority population concentrations. The population growth dynamics of Los Angeles County are unlikely to change the population characteristics of South Gate. However, new residential development on the scale of the City's regional housing needs assessment could attract a more diverse population.

Areas of minority population concentration and high poverty rates create an impediment to fair housing because the neighborhoods lack access to opportunity; for example, educational and employment opportunities.

Actions to ameliorate this impediment involve improvements to the neighborhood, creating incentives for market rate housing development, and enhancing the economic mobility of residents.

In FY 2021-2022, the City will take the following actions:

Action 1: Evaluate Place-Based Strategies

- ❖ Evaluate place-based strategies that could be effectively implemented in the neighborhoods with minority population concentrations, high poverty rates, and low resources. This action could be implemented concurrently with the preparation of the *2021-2029 Housing Element* and the *Assessment of Fair Housing*.

Action 2: Reduce Neighborhood Poverty Levels

- ❖ Implement the Consolidated Plan Anti-Poverty Strategy.

Action 3: Develop Market Rate Housing

- ❖ Encourage the development of market rate housing in neighborhoods with minority population concentrations, high poverty rates, and low resources.

C. HOUSING DISCRIMINATION

1. Background - Prohibited Housing Discriminatory Practices

Sections 804 (a), (b), and (d) of the 1968 Fair Housing Act, as amended, describes several prohibited housing discriminatory practices such as the following:

- (a) To refuse to *sell or rent* after the making of a bona fide offer, or to refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny, a dwelling to any person because of race, color, religion, sex, familial status, or national origin. [Emphasis added]
- (b) To discriminate against any person in the *terms, conditions, or privileges* of sale or rental of a dwelling, or in the provision of services or facilities in connection therewith, because of race, color, religion, sex, familial status, or national origin. [Emphasis added]
- (d) To represent to any person because of *race, color, religion, sex, handicap, familial status, or national origin* that any dwelling is not available for inspection, sale, or rental when such dwelling is in fact so available. [Emphasis added]

The California Fair Employment and Housing Act (FEHA) prohibits unlawful practices similar to those that are described in the 1968 Federal Fair Housing Act, as amended. The State law expands the description of prohibited practices to “harassment,” and to “harass, evict, or otherwise discriminate” for the purpose of “retaliation” against a protected class. Moreover, the State law expands the protected classes to include, among others, sexual orientation, marital status, ancestry, age, and source of income.

2. Analysis - Housing Discrimination Complaints

Housing discrimination complaints can be filed directly with HUD. In California the housing discrimination complaints are processed by HUD’s San Francisco Office of Fair Housing and Equal Opportunity (FHEO). South Gate residents may also file complaints with the State Department of Fair Employment and Housing (DFEH), and the Fair Housing Foundation (FHF).

Twelve City residents filed fair housing discrimination complaints with HUD between calendar year 2010 through 2019. Table VI-6 shows the basis of the complaints and the alleged acts. Familial status, national origin, and disability were the most frequent basis for a complaint. There are a myriad of issues or alleged acts triggering the housing discrimination complaints. For example: discriminatory refusal to rent; discriminatory advertising; failure to make reasonable accommodation; and discriminatory terms, conditions, privileges, or services and facilities.

Table VI-7 shows that in the past four fiscal years 48 fair housing inquiries or allegations have been filed with the Fair Housing Foundation. Fifty percent of the complaints were made on the basis of a physical or mental disability. However, the Fair Housing Foundation investigates some cases and often finds no evidence to sustain the allegations.

Table VI-6
City of South Gate:
Housing Discrimination Complaints: Bases and Alleged Acts: 2010-2019

| | |
|----------------------------------|--|
| Familial Status | Discrimination in terms/conditions/privileges relating to rental |
| Familial Status | Discriminatory advertising, statements and notices; Discrimination in terms/conditions/privileges relating to rental |
| Familial Status | Discriminatory refusal to rent; Discriminatory terms, conditions, privileges, or services and facilities |
| Disability | Failure to make reasonable accommodation |
| Disability | Failure to make reasonable accommodation |
| National Origin | Discriminatory financing (includes real estate transactions); Discriminatory terms, conditions, privileges, or services and facilities; Otherwise deny or make housing unavailable; Discriminatory acts under Section 818 (coercion, Etc.) |
| Sex | Discriminatory advertising, statements and notices; Discriminatory acts under Section 818 (coercion, Etc.) |
| National Origin, Familial Status | Other discriminatory acts |
| National Origin, Familial Status | Other discriminatory acts |
| National Origin, Familial Status | Other discriminatory acts |
| Race, Familial Status | Discriminatory refusal to rent; Discriminatory terms, conditions, privileges, or services and facilities |
| Sex, Retaliation | Discriminatory refusal to rent and negotiate for rental; Discriminatory acts under Section 818 (coercion, Etc.) |

Source: U. S. Department of Housing and Urban Development, San Francisco Regional Office

Table VI-7
City of South Gate
Fair Housing Inquiries/Allegations by Protected Class
FY 2015/2106 to FY 2018/2019
(Filed with the Fair Housing Foundation)

| Protected Class | Number of Cases | Percentage Distribution |
|---------------------|-----------------|-------------------------|
| Age | 1 | 2.1% |
| Familial Status | 10 | 20.8% |
| Gender | 3 | 6.3% |
| Marital Status | 3 | 6.3% |
| Mental Disability | 8 | 16.7% |
| National Origin | 2 | 4.2% |
| Physical Disability | 16 | 33.3% |
| Race | 4 | 8.3% |
| Sexual Orientation | 1 | 2.1% |
| Total | 48 | 100.0% |

Source: Fair Housing Foundation, Annual Reports, FY 2015/2016 to FY 2018/2019

3. Conclusions and Recommendations

Housing discrimination is an impediment to fair housing choice. Based on past trends, it is estimated that 12 housing discrimination complaints may be filed by South Gate residents with HUD during the five year period between FY 2020-2021 and FY 2024-2025. During the same period, it is estimated that 50-60 housing discrimination complaints may be filed with the FHF.

The City will take the following actions to remove or mitigate this impediment to fair housing choice:

Action 1: Continue to Provide Fair Housing Services

- ❖ During the five-year period from FY 2020-2021 through FY 2024-2025, the City will have the FHF provide fair housing services which will include the processing of housing discrimination complaints and landlord/tenant counseling services. Often a landlord/tenant issue has as its basis a housing discrimination concern. Annually, the FHF will report on the number, bases, alleged acts, and resolutions of the housing discrimination complaints.

Action 2: Increase Fair Housing Awareness and Education through the City's website.

- ❖ The City, on its website, will increase efforts in educating residents on potential sources of discrimination and avenues to address fair housing by providing links to relevant information. Issues such as foreclosures, loan modifications, and short sales may be included, and the information should be provided in the English and Spanish languages.

D. BROKERAGE SERVICES**1. Background – Denial of Access to Real Estate Organizations**

Section 3606 of the 1968 Federal Fair Housing Act prohibits discrimination in the provision of brokerage services:

After December 31, 1968, it shall be unlawful to *deny* any person access to or *membership* or participation in any *multiple-listing service*, *real estate brokers' organization* or other service, organization, or facility relating to the business of selling or renting dwellings, or to discriminate against him in the terms or conditions of such *access, membership, or participation*, on account of race, color, religion, sex, handicap, familial status, or national origin. [Emphasis added]

2. Rancho Southeast Association of REALTORS (RSAOR)

Real estate professionals whose business is located in the City of South Gate most likely belong to the Rancho Southeast Association of REALTORS (RSAOR). The headquarters of RSAOR is located at 10900 E. 183rd Street, Suite 120, Cerritos, CA 9070.

The President Elect is Joanne Brown of JB Real Estate and Investment, Inc. Ms. Brown is Black/African American. Sandra Lopez is the Interim Association Executive.

According to a membership profile, the race and ethnicity of California REALTORS is as follows:

| | |
|--------------------------------------|-----|
| ❖ White | 77% |
| ❖ Asian/Pacific Islander | 11% |
| ❖ Hispanic/Latino | 9% |
| ❖ Black/African American | 3% |
| ❖ Other/American Indian/Eskimo/Aleut | 4% |

Source: California Association of REALTORS, *2013 Member Profile – California Report*.

An overlap between the White and Hispanic/Latino groups results in the total exceeding 100%. There are no comparable figures on the race and ethnicity of the real estate professionals who belong to RSAOR. Because of the demographic make-up of the City, it is assumed that more than 9% of the local real estate professionals identify with the Hispanic/Latino ethnicity group.

The Rancho Southeast Association of REALTORS Bylaws state that among the qualifications for membership is to “Have no record of official sanctions rendered by the courts or other lawful authorities for (i) violations of civil rights laws or real estate license laws within the past three years....”

RSAOR’s 4-page application for membership does not inquire about the race or ethnicity of the applicant.

The California law requires brokers and real estate agents to complete a fair housing course at the time of license renewal, which happens every four years.

Neither the FHF nor HUD-San Francisco compiles data on discriminatory brokerage services. The HUD headquarters in Washington, D.C. and Fair Housing Assistance Program (FHAP)

agencies record discriminatory practices in categories known as “issues.” If a single complaint alleges multiple issues, it is counted under each issue alleged. In the five fiscal years between 2013 and 2017, 41,674 issues were counted of which 209 or 0.5% involved discriminatory brokerage practices.

3. Conclusions and Recommendations

Brokerage services as defined by the 1968 Federal Fair Housing Act pertain to having equal access to membership and participation in an Association of REALTORS and the MLS. The SEAOR membership application does not inquire about the characteristics of the applicant other than license status and experience. Consequently, the RSAOR does not prevent membership by individuals who belong to one or more of the protected classes. It is concluded that the provision of brokerage services is not an impediment to fair housing choice.

Approximately 648 South Gate residents are employed in the “real estate and rental and leasing” industry, according to the 2018 American Community Survey.

According to the North American Industry Classification System, the Real Estate and Rental and Leasing sector comprise establishments that are primarily engaged in renting, leasing, or otherwise allowing the use of tangible or intangible assets, and establishments providing related services. The major portion of this sector comprises establishments that rent, lease, or otherwise allow the use of their own assets by others. The assets may be tangible, as is the case of real estate and equipment, or intangible, as is the case with patents and trademarks. Industries in the Real Estate subsector group establishments primarily engaged in renting or leasing real estate to others; managing real estate for others; selling, buying, or renting real estate for others; and providing other real estate related services, such as appraisal services.

Source: Office of Management and Budget, *North American Industry Classification System*, 2017, page 449

E. STEERING

1. Background - Prohibited Steering Practices

HUD's 1996 *Fair Housing Planning Guide* states that a private sector impediment is “steering.”

Examples of prohibited steering practices include:

- ❖ A REALTOR deliberately guiding potential purchasers toward or away from certain neighborhoods because of membership in a protected class.
- ❖ A lender who deliberately guides loan applicants toward or away from certain types of loans because of membership in a protected class.
- ❖ Limiting a renter's housing choices by guiding or encouraging the person to look elsewhere, based on a fair housing protected characteristic. This type of steering mostly affects apartment seekers as opposed to in-place tenants.

2. Analysis of Steering

As previously noted, HUD annually counts discriminatory practices in categories known as “issues”. In the five fiscal years between 2013 and 2017, 41,674 issues were counted of which 368 or 0.9% involved steering.

The steering of home buyers probably happens less frequently than in the past because the internet enables home buyers to be more active in the search process and less reliant on REALTORS. According to the California Association of REALTORS *2015 Home Buyers Survey* buyers on average spend 15 weeks investigating homes and neighborhoods before contacting an agent. Although 55% of buyers found a home through an agent, 18% found it using a website, 11% a for sale sign, and 8.5% at an open house. Zillow and Realtor.com are considered by buyers as the most useful websites when they search for a home. In addition, the vast majority of buyers used mobile devices to research homes and neighborhoods and to take photos of homes/amenities/neighborhoods.

The use of the internet and mobile devices does potentially create risks in the home buying process. Several state Attorney Generals have concluded that –

...the growing role of data analytics and online platforms in the housing sale and rental markets means that risks are greater that segments of society will be steered away from or denied housing in a way that is immune to examination of intent yet results in even more segregated housing patterns.

Source: Comments from Attorney General's Regarding the Reconsideration of HUD's Implementation of the Fair Housing Act's Disparate Impact Standard (Docket No. FR-6111-A-01), page 9

3. Conclusions and Recommendations

Steering may adversely impact homebuyers in their search process and when they apply for a loan. Steering also may adversely impact in-place renters and rental apartment seekers. Corrective actions have been taken by the federal and state governments regarding loan steering so that abuse may not happen in the future as frequently as it occurred in the early to mid-2000s. However, the steering of apartment seekers is likely to continue, although it is not possible to measure its frequency.

Although incidents of steering cannot be precisely quantified, there is evidence that it exists. Steering, therefore, creates an impediment to fair housing choice.

The City will take the following actions to remove or mitigate this impediment to fair housing choice:

Action 1: Provide Information on Steering at Consumer Fair Housing Workshops

- ❖ During the five-year period from FY 2020-2021 through FY 2024-2025, the FHF in their Consumer Fair Housing Workshops will provide 1) examples of how to detect "steering" when using the internet to conduct a home search process; 2) examples of how to detect loan steering; and 3) examples of steering that could be experienced by in-place tenants and apartment seekers.

Action 2: Provide Information on Steering at Landlord Workshops

- ❖ During the five-year period from FY 2020-2021 through FY 2024-2025, the FHF in their Landlord Workshops will provide information on steering.

The COVID-19 pandemic may prevent the ability of the FHF to conduct in-person workshops in FY 2021/2021 and perhaps during a part of the following fiscal years. Because of this constraint, the FHF may offer information in their monthly newsletter, prepare a FAQs document, present webinars, post information on the City's website, and conduct Zoom meetings/workshops.

F. APPRAISAL PRACTICES

1. Background – Prohibited Appraisal Practices

The 1968 Federal Fair Housing Act, as amended, makes it unlawful to discriminate against a protected class in appraising property. An appraisal is a written assessment of market value and is used by mortgage underwriters to determine whether there is sufficient collateral to lend money to a homebuyer. Unlawful discriminatory appraisal practices, for example, may include:

- ❖ Taking into account the race and ethnic make-up of a neighborhood
- ❖ Taking into the account the race and ethnicity of the seller and/or buyer

2. Analysis of Appraisal Practices

Homebuyers requiring a loan to buy a home are given the opportunity to review an appraisal report. In 2018, 235 home loans were approved which is an indicator of the number of homebuyers who were given the opportunity to review an appraisal report.

The Uniform Residential Appraisal Report is a six page form used by appraisers to determine the value of a home. In bold letters, the form states:

Note: Race and the racial composition of the neighborhood are not appraisal factors.

At the end of the report, there are "appraiser's certifications" which include certification #17:

I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.

Contained in the Standards section is Standard Rule 6-3 which deals with neighborhood trends when appraising a property and encourages appraisers to avoid stereotyped or biased assumptions relating to race, age, color, gender, or national origin or an assumption that race, ethnic, or religious *homogeneity* is necessary to maximize value in a neighborhood. [Emphasis added]

Under both federal law (the Equal Credit Opportunity Act of 1976 and its implementing regulations) and California law (Business & Professions Code Section 11423), a lender is generally obligated to inform a credit applicant of the right to receive a copy of the appraisal used in connection with an application, and to honor the applicant's written request for a copy of the appraisal report.

The California Association of REALTORS (CAR) explains that one of the reasons a buyer should obtain an appraisal is –

To make sure the lender has not engaged in any discriminatory practices.

Consequently, a homebuyer/borrower is entitled to a copy of the appraisal. But a homebuyer and borrower during the purchase process has a bewildering array of documents to review and sign. Additionally, given an appraisal to review, they may not have the knowledge to review an appraisal report to determine if, for example, race or ethnicity were considered in making the appraisal.

3. Conclusions and Recommendations

Complaints regarding discriminatory appraisal practices are not routinely collected by local, state or federal agencies. Data are unavailable to demonstrate if discriminatory appraisal practices have adversely impacted some of the real estate transactions in South Gate.

Although no impediment was found to exist, the City will take following action to affirmatively further fair housing:

Action 1: Provide Information on the Appraisal Process at Consumer Fair Housing Workshops

- ❖ In FY 2020-2021 to FY 2024-2025, the FHF will describe the appraisal process and the contents of an appraisal report at their Consumer Fair Housing Workshops.

The COVID-19 pandemic may prevent the ability of the FHF to conduct in-person workshops in FY 2021/2021 and perhaps during a part of the following fiscal years. Because of this constraint, the FHF may offer information in their monthly newsletter, prepare a FAQs document, present webinars, post information on the City's website, and conduct Zoom meetings/workshops.

G. LENDING PRACTICES

1. Background

Equal access to credit so that borrowers can purchase a home is a fundamental goal of fair housing. Section 805 of the 1968 Federal Fair Housing Act, as amended, and the Equal Credit Opportunity Act of 1976 prohibit the denial of access to credit because of a loan applicant's race, color, religion, sex, handicap, familial status, or national origin.

According to the Consumer Financial Protection Bureau:

The Home Mortgage Disclosure Act (HMDA) is a data collection, reporting, and disclosure statute that was enacted in 1975. HMDA data are used to assist in determining whether financial institutions are serving the housing needs of their local communities; facilitate public entities' distribution of funds to local communities to attract private investment; and help identify possible discriminatory lending patterns. Institutions covered by HMDA are required to annually collect and report specified information about each mortgage application acted upon and mortgage purchased during the prior calendar year. The data include the disposition of each application for mortgage credit; the type, purpose, and characteristics of each home mortgage application or purchased loan; the census-tract designations of the properties; loan pricing information;

demographic and other information about loan applicants, including their race, ethnicity, sex, and income; and information about loan sales.

Source: Consumer Financial Protection Bureau, *Data Point: 2018 Mortgage Market Activity and Trends: A First Look at the 2018 HMDA Data*, page 1

For calendar year 2018, 5,666 institutions in the country reported HMDA data, down 3.9% from the 5,897 which reported in 2017. The 2019 HMDA data will be published in September 2020.

2. Analysis of 2018 Home Mortgage Disclosure Act Data

The HMDA data are available only at the census tract level. The calendar year 2018 HMDA data are reported by lenders according to the 2010 census tract boundaries.

For purpose of the analysis, the data was limited to the following:

- ❖ Owner occupied dwellings of 1 to 4 units
- ❖ Site-built homes (no manufactured dwellings) and
- ❖ "First" loans (no loans in subordinate position)

According to HMDA data, lending institutions can take up to eight actions on a loan application. The actions are coded in to the Loan Application Registration System (LARS) as follows:

1. Loan Originated
2. Application Approved but not accepted (by applicant)
3. Application Denied by financial institution
4. Application Withdrawn by applicant
5. File Closed for incompleteness
6. Loan Purchased by the institution
7. Preapproval Denied by financial institution
8. Preapproval Approved but not accepted (by applicant)

In order to determine a "denial rate" for loan applications, only the first three actions are considered. The reason for limiting to the first three actions is because those actions represent applications that were completely processed and either were approved or denied.

a. 2018 FHAVA and Conventional Loan Volumes and Loan Dispositions

The 2018 HMDA data reported a total of 280 FHAVA and conventional loan applications to purchase homes located in South Gate:

| | | |
|----------------------|-----|--------|
| ❖ FHAVA Loans | 149 | 53.2% |
| ❖ Conventional Loans | 131 | 46.8% |
| Total | 280 | 100.0% |

A conventional loan is secured by investors, but neither insured by the FHA nor guaranteed by VA. Both fixed rate and adjustable rate loans are available with conventional financing.

The final disposition of the 280 loan applications was as follows:

| | | |
|------------|-----|-------|
| ❖ Approved | 245 | 87.5% |
|------------|-----|-------|

| | | |
|----------|-----|--------|
| ❖ Denied | 35 | 12.5% |
| Total | 280 | 100.0% |

Approved loans include loans originated and loan applications approved by the lender but not accepted by the borrower.

b. Loan Denial Rates by Type of Financing

Table VI-8 shows the FHA/VA and conventional loan denial rates. In 2018, the 149 FHA/VA loan applications comprised 53.2% of all 280 loan applications. Of the 149 applications, 11.4% were denied.

In 2018, the 131 conventional loan applications comprised 46.8% of all 280 loan applications. Of the 131 applications, 13.7% were denied.

Table VI-8
City of South Gate
FHA/VA and Conventional
Loan Applications and Denial Rates: 2018

| Type of Application | 2018 |
|---------------------------|-------|
| FHA/VA/FSA | |
| Total Applications | 149 |
| Number Denied | 17 |
| Percent Denied | 11.4% |
| Conventional Loans | |
| Total Applications | 131 |
| Number Denied | 18 |
| Percent Denied | 13.7% |
| All Loans | |
| Total Applications | 280 |
| Number Denied | 35 |
| Percent Denied | 12.5% |

Source: Federal Financial Institutions Examination Council (FFIEC), Home Mortgage Disclosure Act (HMDA) Website HMDA Data Browser.

c. Loan Denial Rates by Household Income and Type of Financing

Table VI-9 shows the denial rates by five income categories for FHA/VA and conventional loans. Household income can be a key determinant in whether a borrower has a loan application approved. Higher incomes, however, do not always correlate with low denial rates and vice versa.

Few applications (8.6%) of the total 280 loan applications were made by applicants with annual incomes below \$60,000.

City-wide, the denial rate for all applications was 12.5%. However, the denial rate for FHA/VA applicants with incomes between \$60,000 and \$79,999 was 20.0% versus 14.3% for

conventional loan applicants. FHA/VA applicants with annual incomes over \$100,000 had denial rates below the city-wide average at 10.9%, while conventional loan applicants were actually higher than the city-wide average at nearly 15.9%.

Altogether, 108 of the 280 borrowers (38.5%) had incomes of \$100,000 or more.

Table VI-9
City of South Gate
FHA/VA and Conventional Loan Denial Rates
by Household Income: 2018

| Loan Type and Income | Number of Applications | Number Denied | Percent Denied |
|---------------------------|------------------------|---------------|----------------|
| FHA/VA/FSA Loans | | | |
| <\$40,000 | 2 | 1 | 50.0% |
| \$40,000-\$59,999 | 4 | 0 | 0.0% |
| \$60,000-\$79,999 | 25 | 5 | 20.0% |
| \$80,000-\$99,999 | 54 | 4 | 7.4% |
| \$100,000+ | 64 | 7 | 10.9% |
| Income Not Available | 0 | 0 | 0.0% |
| Total | 149 | 17 | 11.4% |
| Conventional Loans | | | |
| <\$40,000 | 8 | 0 | 0.0% |
| \$40,000-\$59,999 | 10 | 4 | 40.0% |
| \$60,000-\$79,999 | 35 | 5 | 14.3% |
| \$80,000-\$99,999 | 33 | 2 | 6.1% |
| \$100,000+ | 44 | 7 | 15.9% |
| Income Not Available | 1 | 0 | 0.0% |
| Total | 131 | 18 | 13.7% |
| All Loans | | | |
| <\$40,000 | 10 | 1 | 10.0% |
| \$40,000-\$59,999 | 14 | 4 | 28.6% |
| \$60,000-\$79,999 | 60 | 10 | 16.7% |
| \$80,000-\$99,999 | 87 | 6 | 6.9% |
| \$100,000+ | 108 | 14 | 13.0% |
| Income Not Available | 1 | 0 | 0.0% |
| Total | 280 | 35 | 12.5% |

Source: Federal Financial Institutions Examination Council (FFIEC), Home Mortgage Disclosure Act (HMDA) Website HMDA Data Browser.

d. Loan Denial Rates by Race and Ethnicity

The overwhelming majority (81.4%) of all loan applications were made by Hispanic or Latino applicants. With so few applicants in the other racial categories, drawing meaningful conclusions from a comparison of denial rates is problematic.

The loan denial rates for Hispanic borrowers were lower than the overall citywide denial rates:

- ❖ FHA/VA overall denial rate: 11.4%

Table VI-10 shows loan application activity for 20 census tracts. More than one half of all FHA/VA loan applications were made to purchase a home located in just five of the 20 census tracts:

| | |
|-----------|-----------------------------------|
| ❖ 5362.00 | 19 loan applications/15.8% denied |
| ❖ 5359.01 | 15 loan applications/13.3% denied |
| ❖ 5361.02 | 14 loan applications/14.3% denied |
| ❖ 5361.03 | 14 loan applications/21.4% denied |
| ❖ 5359.02 | 13 loan applications/7.7% denied |

All but one of the five census tracts had denial rates higher than the city-wide average for FHA/VA loans.

Fifty-four percent of the conventional loan applications were made in five census tracts:

| | |
|-----------|-----------------------------------|
| ❖ 5361.02 | 19 loan applications/10.5% denied |
| ❖ 5362.00 | 18 loan applications/16.7% denied |
| ❖ 5359.02 | 12 loan applications/16.7% denied |
| ❖ 5358.02 | 11 loan applications/0.0% denied |
| ❖ 5361.03 | 11 loan applications/9.1% denied |

Citywide, the overall denial rate for conventional loans was 13.7%. Two out of the five Census tracts had denial rates higher than the citywide average.

Since the majority of the city's tracts did not have a large loan volume it is not possible to draw meaningful conclusions from a HMDA data for one year.

f. Reasons for Denial of Loan Applications

HMDA requires lenders to list one or more reasons for a loan denial. In 2018, there were a total of 35 loan applications denied; 17 FHA/VA and 18 conventional loan applications, respectively. Table VI-11 provides data on the reasons for loan denials.

One-half of the loan applications were denied because of too high a "debt-to-income ratio" and "credit history." Those reasons are described below:

- ❖ Debt-to-income ratio - "income insufficient for amount of credit requested and excessive obligations in relation to income."
- ❖ Credit history - "insufficient number of credit references; unacceptable types of credit references; no credit files; and other similar reasons."

SECTION VI

PRIVATE SECTOR IMPEDIMENTS ANALYSIS

Table VI-10
City of South Gate
FHA/VA and Conventional Loan Denial Rates by Census Tract: 2018

| Census Tract | FHA/VA Loans | | | Conventional Loans | | | All Loans | | |
|--------------|--------------|---------------|----------------|--------------------|---------------|----------------|-------------|---------------|----------------|
| | Total Apps. | Number Denied | Percent Denied | Total Apps. | Number Denied | Percent Denied | Total Apps. | Number Denied | Percent Denied |
| 5355.01 | 1 | 0 | 0.0% | 1 | 0 | 0.0% | 2 | 0 | 0.0% |
| 5355.02 | 7 | 0 | 0.0% | 1 | 0 | 0.0% | 8 | 0 | 0.0% |
| 5355.03 | 5 | 1 | 20.0% | 2 | 0 | 0.0% | 7 | 1 | 14.3% |
| 5356.03 | 3 | 1 | 33.3% | 0 | 0 | 0.0% | 3 | 1 | 33.3% |
| 5356.04 | 9 | 1 | 11.1% | 10 | 0 | 0.0% | 19 | 1 | 5.3% |
| 5356.05 | 4 | 0 | 0.0% | 3 | 1 | 33.3% | 7 | 1 | 14.3% |
| 5356.06 | 1 | 0 | 0.0% | 0 | 0 | 0.0% | 1 | 0 | 0.0% |
| 5356.07 | 8 | 0 | 0.0% | 8 | 2 | 25.0% | 16 | 2 | 12.5% |
| 5357.01 | 8 | 1 | 12.5% | 4 | 3 | 75.0% | 12 | 4 | 33.3% |
| 5357.02 | 7 | 1 | 14.3% | 9 | 1 | 11.1% | 16 | 2 | 12.5% |
| 5358.02 | 7 | 0 | 0.0% | 11 | 0 | 0.0% | 18 | 0 | 0.0% |
| 5358.03 | 2 | 0 | 0.0% | 3 | 2 | 66.7% | 5 | 2 | 40.0% |
| 5358.04 | 4 | 1 | 25.0% | 4 | 0 | 0.0% | 8 | 1 | 12.5% |
| 5359.01 | 15 | 2 | 13.3% | 6 | 0 | 0.0% | 21 | 2 | 9.5% |
| 5359.02 | 13 | 1 | 7.7% | 12 | 2 | 16.7% | 25 | 3 | 12.0% |
| 5360.00 | 3 | 0 | 0.0% | 2 | 0 | 0.0% | 5 | 0 | 0.0% |
| 5361.02 | 14 | 2 | 14.3% | 19 | 2 | 10.5% | 33 | 4 | 12.1% |
| 5361.03 | 14 | 3 | 21.4% | 11 | 1 | 9.1% | 25 | 4 | 16.0% |
| 5361.04 | 5 | 0 | 0.0% | 7 | 1 | 14.3% | 12 | 1 | 8.3% |
| 5362.00 | 19 | 3 | 15.8% | 18 | 3 | 16.7% | 37 | 6 | 16.2% |
| Total | 149 | 17 | 11.4% | 131 | 18 | 13.7% | 280 | 35 | 12.5% |

Source: Federal Financial Institutions Examination Council (FFIEC), Home Mortgage Disclosure Act (HMDA) Website HMDA Data Browser.

Table VI-11
City of South Gate
Reasons for Loan Denials: 2018

| Reason for Denial | FHA/VA/FSA Loans | | Conventional Loans | | All Loans | |
|---------------------------|------------------|---------------|--------------------|---------------|-----------|---------------|
| | Number | Percent | Number | Percent | Number | Percent |
| Debt-to-income ratio | 6 | 35.3% | 4 | 22.2% | 10 | 28.6% |
| Credit History | 3 | 17.6% | 6 | 33.3% | 9 | 25.7% |
| Credit App. Incomplete | 3 | 17.6% | 2 | 11.1% | 5 | 14.3% |
| Unverifiable Information | 2 | 11.8% | 2 | 11.1% | 4 | 11.4% |
| Other | 1 | 5.9% | 2 | 11.1% | 3 | 8.6% |
| Collateral | 2 | 11.8% | 1 | 5.6% | 3 | 8.6% |
| Employment History | 0 | 0.0% | 1 | 5.6% | 1 | 2.9% |
| Insufficient Cash | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| Mortgage Insurance Denied | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| Total | 17 | 100.0% | 18 | 100.0% | 35 | 100.0% |

Source: Federal Financial Institutions Examination Council (FFIEC), Home Mortgage Disclosure Act (HMDA) Website HMDA Data Browser.

Additional insights on reasons for loan denial are provided by CoreLogic:

Although up to a total of four reasons are reportable according to the new HMDA rule, the majority of the applications (76.7%) cited just one reason, and it was rare for lenders to report more than two reasons (4.1%). The number one reason reported by lenders for turning down applications was due to applicants' potential indebtedness burden as measured by the debt-to-income ratio (Figure 2). Higher debt-to-income ratio (DTI) was responsible for more than 36.8% of denied home-purchase applications, 34.3% of denied non-cash-out refinance, and 31.9% of denied cash-out refinance.

Credit history was the second most frequently reported reason - responsible for 33.9% of denied purchase applications, 27.5% of denied of cash-out refi, 37.1% of denied cash-out refi, and as much as 46.7% of denied home improvement applications. More than 70% of home-improvement loan applications were second liens, which might explain lenders' caution in home improvement loan underwriting.

The third most frequently reported reason was related to the collateral securing the loans. Collateral was more frequently cited for denials of home improvement loans (24.7%) and non-cash-out refinance (19.1%). In home-purchase applications, collateral was responsible for just 13.3% of denials. Additionally, about 9% of purchase applications were denied due to insufficient cash for down payment or closing cost.

Core Logic, 2018 HMDA Data: High Debt-to-Income Ratio Was the Top Reason for Mortgage Denials, September 26, 2019

3. Conclusions and Recommendations

The City's goal is to improve the loan approval rates of all racial and ethnic populations that want to buy a home located in South Gate. Excessive debt to income ratios impede fair housing choice because borrowers cannot qualify to buy a home in a neighborhood they like. Many of these borrowers should not apply for a loan until after they have their debts under control.

The following action will be implemented to remove or mitigate this impediment to fair housing choice:

Action 1: Provide Information on Reasons for Loan Denials

- ❖ During the five-year period from FY 2020-2021 through FY 2024-2025, the FHF will provide at workshops information on debt-to-income ratios that are acceptable to lenders. Implementation of this recommended action should result in better prepared borrowers and cause an increase in loan approval rates of all loan applicants, regardless of race or ethnicity.

The COVID-19 pandemic may prevent the ability of the FHF to conduct in-person workshops in FY 2021/2021 and perhaps during a part of the following fiscal years. Because of this constraint, the FHF may offer information in their monthly newsletter, prepare a FAQs document, present webinars, post information on the City's website, and conduct Zoom meetings/workshops.

Action 2: Continue to Collect and Analyze HMDA

- ❖ During the five-year period from FY 2020-2021 through FY 2024-2025 continue to collect HMDA data on loan approvals and denials by race and ethnicity, income, and census tract location. Solid conclusions on trends and impediments can be made when multi-year data are analyzed. The multi-year analysis can be described in the CAPERs.

H. PROPERTY MANAGEMENT PRACTICES

1. Background

a. On-Site Property Management Requirements

The federal Fair Housing Act covers most — but not all — housing. Some exemptions to coverage under the Act include: (a) owner-occupied buildings with no more than four units (which is commonly known as the Mrs. Murphy exemption); (b) single family housing sold or rented without the use of a broker if the private individual owner does not own more than three such single family homes at one time; or (c) housing operated by organizations and private clubs that limit occupancy to members.

(Republican Senator George D. Aiken of Vermont coined the term "Mrs. Murphy" when he reportedly suggested that Congress "integrate the Waldorf and other large hotels, but permit the 'Mrs. Murphy's,' who run small rooming houses all over the country, to rent their rooms to those they choose.")

Under California law, the owners of apartment buildings with 16 or more housing units must provide for *on-site* property management. More specifically, California Civil Code Title 25, Section 42 requires a manager, janitor, housekeeper, or other responsible person to live on the premises and have charge of every apartment complex that has 16 or more apartment units on the property if the property owner does not live on the premises. Apartment properties between four and 15 units must have a notice placed in a conspicuous place stating the property owner's name and address or the name and address of the agent in charge of the apartment house if the owner does not reside upon the premises. The Civil Code does not require apartment managers to reside on properties that have four or fewer units.

State law requires a manager or his/her designee to reside in mobile home parks with 50 or more spaces, but does not require them to be on the premises 24 hours a day. (Health and Safety Code §18603) It also requires a person to be available by phone, pager, answering machine or answering service, and to reasonably respond in a timely manner to emergencies concerning the operation and maintenance of the park. The agency responsible for enforcement of park health and safety requirements is either local government or HCD.

In summary:

- ❖ The mobile home park manager does not have to be on the premises 24 hours a day.
- ❖ Parks with fewer than 50 spaces do not require a manager to live on the premises.
- ❖ The park manager does have to be available by phone or other communication device to respond to health and safety emergencies affecting the park.

b. Rental Housing Stock and Renter Householders

Property management policies and practices are of keen importance to South Gate residents. Table VI-12 contains data on the renter occupied housing units by structure size. Approximately 9% of the rental housing stock is located in structures having 16 or more housing units. However, it is possible that structures with fewer units – 4-plexes for example – are located on the same premises and, therefore, could have 16 or more apartments in the complex. It is noteworthy that almost 31% of the rental housing stock is comprised of single-family detached homes and would not have on-site property management.

(Interpolation was used to estimate the number of units in structures of 16 to 19 units. 40% of units the located in structures of 10-19 units was used to estimate those in structures of 16 to 19 units [$.40 \times 566 = 226$]).

The Thunderbird Villa Mobile Home Park is located in South Gate. It has 239 mobile home spaces and, therefore, it is required to have on-site property management.

Table VI-13 shows that South Gate renters are predominantly younger. Nearly one in four renters (23.8%) is under the age of 35. Approximately 13% of all renters are over the age of 65 or older.

Table VI-12
City of South Gate
Renter Occupied Housing Units by Units in Structure

| Units in Structure | Number of Units | Percent |
|---------------------------|------------------------|----------------|
| 1, Detached | 4,269 | 30.9% |
| 1, Attached | 1263 | 9.1% |
| 2 | 1199 | 8.7% |
| 3 or 4 | 3300 | 23.9% |
| 5 to 9 | 2,135 | 15.4% |
| 10-19 | 566 | 4.1% |
| 20-49 | 390 | 2.8% |
| 50+ | 632 | 4.6% |
| Mobile Homes | 76 | 0.5% |
| Boat, RV, Van | 0 | 0.0% |
| Total | 13,830 | 100.0% |

Source: American Community Survey 2014-2018 5-Year Estimates Table B25032 Tenure by Units in Structure

Table VI-13
City of South Gate
Renter Occupied Units by Age of Householder

| Age of Householder | Number | Percent |
|---------------------------|---------------|----------------|
| Under 35 Years | 3,286 | 23.8% |
| 35 to 44 Years | 3,501 | 25.3% |
| 45 to 54 Years | 3,313 | 24.0% |
| 55 to 64 Years | 1,933 | 14.0% |
| 65 to 74 Years | 1,154 | 8.3% |
| 75 to 84 Years | 531 | 3.8% |
| 85 Years and Over | 112 | 0.8% |
| Total | 13,830 | 100.0% |

Source: American Community Survey 2014-2018 5-Year Estimates Table S2502 Demographic Characteristics for Occupied Housing Units

2. Analysis - Fair Housing Laws and Rental Housing

The owners and managers of apartment buildings must comply with a variety of fair housing laws such as:

- ❖ Service and companion animals
- ❖ Reasonable accommodations
- ❖ Reasonable physical modifications
- ❖ Equal Opportunity Logo, Fair Housing Notice, Equal Opportunity in Housing Statement
- ❖ Other property management fair housing laws

For rent advertising on seven sites was reviewed: Rent.com; Apartments.com; Trulia, craigslist; ApartmentGuide.com, HotPads.com, and ApartmentFinder.com.

a. Service and Companion Animals

Persons with a disability are one of the classes protected from discrimination in housing. Apartments must allow, under certain conditions, "service animals" and "companion animals". A service animal is one trained to do work or perform tasks for the benefit of a person with a disability. A service animal can be of varying species, breed or size. It might wear specialized equipment such as a backpack, harness, special collar or leash, but this is not a legal requirement. Companion animals, also referred to as assistive or therapeutic animals, can assist individuals with disabilities in their daily living and as with service animals, help disabled persons overcome the limitations of their disabilities and the barriers in their environment. They are typically for individuals with mental disabilities and can assist the person with depression, anxiety or provide emotional support.

Under federal and state fair housing laws, individuals with disabilities may ask their housing provider to make reasonable accommodations in the "no pets" policy to allow for their use of a companion/service animal. The housing provider may ask the disabled applicant/tenant to provide verification of the need for the animal from a qualified professional. Once that need is verified, the housing provider must generally allow the accommodation.

The online ads of the 15 apartment complexes were reviewed to discern pet policies. The results are:

- ❖ The ads of 4 complexes stated pets are allowed (cats and dogs).
- ❖ The ads of 7 complexes stated pets are not allowed.
- ❖ The ads of 4 complexes did not state whether pets are allowed.

It is assumed that the apartment complexes allowing pets allow service and companion animals, as well.

Some disabled persons are unaware of their fair housing rights and, as a consequence, may not consider as available to them apartments with ads that state "no pets."

b. Reasonable Accommodations

HUD and the DOJ state:

The [Fair Housing] Act makes it unlawful to refuse to make reasonable accommodations to rules, policies, practices, or services when such accommodations may be necessary to afford persons with disabilities an equal opportunity to use and enjoy a dwelling.

To show that a requested accommodation may be necessary, there must be an identifiable relationship, or nexus, between the requested accommodation and the individual's disability.

Example 1: A housing provider has a policy of providing unassigned parking spaces to residents. A resident with mobility impairment, who is substantially limited in the ability to walk, requests an assigned accessible parking space close to the entrance to her unit as a reasonable accommodation. There are available parking spaces near the entrance to her unit that are accessible, but those spaces are available to all residents on a first come, first served basis. The provider must make an exception to its policy of not providing assigned parking spaces to accommodate this resident.

Example 2: A housing provider has a policy of requiring tenants to come to the rental office in person to pay their rent. A tenant has a mental disability that makes her afraid to leave her unit. Because of her disability, she requests that she be permitted to have a friend mail her rent payment to the rental office as a reasonable accommodation. The provider must make an exception to its payment policy to accommodate this tenant.

Source: U.S. Department of Justice, Civil Rights Division and U.S. Department of Housing and Urban Development, Office of Fair Housing and Equal Opportunity, *Joint Statement on Reasonable Accommodations Under the Fair Housing Act*, May 17, 2004, page 6

Data on the failure to permit a reasonable accommodation are maintained neither by the State DFEH nor FHF. HUD headquarters in Washington, DC does publish data on this issue or alleged act. These data show that over the past five years an average 3,000 complaints are made annually because of a "failure to permit a reasonable accommodation."

Housing discrimination complaints filed with the HUD-San Francisco office identify the issue or alleged discriminatory act. Two South Gate complainants described the "failure to make a reasonable accommodation" as among the fair housing issues.

The majority of housing discrimination complaints filed with the FHF had disability as a basis. It is possible that some of those complaints were made because of failure to allow a reasonable accommodation.

f. Reasonable Physical Modifications

According to HUD:

A reasonable modification is a structural change made to existing premises, occupied or to be occupied by a person with a disability, in order to afford such person full enjoyment of the premises. Reasonable modifications can include structural changes to interiors and exteriors of dwellings and to common and public use areas. A request for a reasonable modification may be made at any time during the tenancy. The Act makes it unlawful for a housing provider or homeowners' association to refuse to allow a reasonable modification to the premises when such a modification may be necessary to afford persons with disabilities *full enjoyment* of the premises. [Emphasis added]

Source: U.S. Department of Justice, Civil Rights Division and U.S. Department of Housing and Urban Development, Office of Fair Housing and Equal Opportunity, *Joint Statement on Reasonable Modifications Under the Fair Housing Act*, March 5, 2008, page 3

HUD data show that during the past five years an annual average of 190 complaints is made throughout the country because of a “failure to permit a reasonable modification.”

None of the housing discrimination complaints filed with the HUD-San Francisco office identified failure to permit a reasonable modification as an alleged discriminatory act.

g. Lease Terms.

Nine of the 15 complexes did not advertise their lease terms, which may imply that they rent only on a monthly basis.

Four complexes stated a 12-month lease term.

One complex stated a 6-12 month lease term.

And one complex stated a 6-month lease term.

d. Equal Opportunity Logo, Fair Housing Notice, Equal Opportunity in Housing Statement

Another property management practice of interest is if the on-site search sites advertise support for fair housing.

Trulia

At the bottom of each ad, Trulia makes available a link to a Fair Housing Guide. The link is to a *Landlord Guide to Fair Housing Laws*. The Guide is comprehensive and describes what landlords should know about their fair housing obligations to tenants.

At the bottom of each ad, the following statement is made: “Zillow Group is committed to ensuring digital accessibility for individuals with disabilities.”

Digital accessibility is the ability of a website, mobile application or electronic document to be easily navigated and understood by a wide range of users, including those users who have visual, auditory, motor or cognitive disabilities.

Craigslist

Craigslist publishes a Fair Housing Notice. The notice states:

It is illegal to discriminate in the sale, rental or leasing of housing because of a person's race, color, creed, national origin, sexual orientation, marital status, familial status, or religion. In New York City and in other municipalities in the state, it is also illegal to discriminate against people based on their **source of income**, including receipt of Section 8 or other public benefits. [Emphasis added]

For apartment seekers wanting to live in South Gate the reference to New York City would be confusing and not helpful

ApartmentGuide.com

ApartmentGuide.com publishes the equal housing opportunity logo. Additionally, it references "Accessibility: Rent Path Web Contact Accessibility Guidelines, WCAG 2.0." This refers to the fact that RentPath is 1) committed to ensuring accessibility of its website to people with disabilities and 2) taking steps to ensure their sites will adhere to level AA of the Web Content Accessibility Guidelines (WCAG 2.0).

HotPads.com

HotPads publishes the fair housing equal housing opportunity logo.

It also makes the statement that the "Zillow Group is committed to ensuring digital accessibility for individuals with disabilities."

HotPads also provides a link to the *Landlord Guide to Fair Housing Laws*.

ApartmentFinder.com

ApartmentFinder.com publishes the fair housing equal housing opportunity logo.

Apartments.com

The search tool at the bottom of each ad publishes an equal opportunity in housing statement. In part, the statement reads:

Complaints alleging discrimination in housing may be filed with the nearest office of the United States Department of Housing and Urban Development (HUD), or by calling HUD's toll free number, [1-800-669-9777](tel:1-800-669-9777) (voice), or [1-800-543-8294](tel:1-800-543-8294) (TDD). You can contact HUD on the internet at <http://www.hud.gov/>.

If you believe that you have been the victim of discrimination, you can also contact your state's Attorney General or a local legal aid organization.

Rent.com

The search tool publishes the equal housing opportunity logo.

The accessibility link informs the apartment seeker that RentPath "...is constantly working towards improving the accessibility of its website to ensure it provides equal access to all of our users. Therefore, if you have feedback or concerns related to the accessibility of any content on this website, or have ideas or comments that would help us improve the accessibility and usability of our website, please contact us at accessibilityfeedback@rentpath.com. If you have encountered a specific problem with the site, please include the web address or URL where you experienced difficulty and describe the specific problem(s) you have encountered."

3. Conclusions and Recommendations

Property management practices concerning service and companion animals, reasonable accommodations, and reasonable modifications impede fair housing choice.

The City will take the following action to remove or mitigate this impediment:

Action 1: Provide Information on Prohibited Property Management Practices at Landlord Workshops

- ❖ In the period from FY 2020/2021 to FY 2024/2025, the Fair Housing Foundation will continue to hold Landlord Workshops and include discussions on the prohibited discriminatory practices pertaining to service and companion animals, reasonable accommodations, and reasonable modifications.

The COVID-19 pandemic may prevent the ability of the FHF to conduct in-person workshops in FY 2021/2021 and perhaps during a part of the following fiscal years. Because of this constraint, the FHF may offer information in their monthly newsletter, prepare a FAQs document, present webinars, post information on the City's website, and conduct Zoom meetings/workshops.

I. DISCRIMINATORY ADVERTISING

1. Background – Prohibitions Against Preferences and Limitations

Section 804(c) of the 1968 Federal Fair Housing Act, as amended, prohibits discriminatory advertising; it is unlawful:

To make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a dwelling that indicates any preference, limitation, or discrimination based on race, color, religion, sex, handicap, familial status, or national origin, or an intention to make any such preference, limitation, or discrimination.

Section 12955(c) of the California Fair Employment and Housing Act contains similar language prohibiting discriminatory advertising. That Section, however, also includes the State's additionally protected classes such as, but not limited, to sexual orientation, marital status, ancestry, and source of income.

Guidance on the words and phrases that are or could be interpreted as discriminatory is available from several sources including, but not limited, to:

- ❖ Roberta Achtenberg, Assistant Secretary for Fair Housing and Equal Opportunity, HUD, "Guidance Regarding Advertisements under Section 804 (c) of the Fair Housing Act," January 9, 1995
- ❖ California Newspaper Publishers Association, Fair Housing Advertising Manual, Fourth Edition, Copyright, 2009

2. Analysis of Newspaper Print and Online Advertisements

Newspaper and print advertising is not used as often as it was in the past. According to the California Newspaper Publishers Association (CNPA), apartment owners have lower cost alternatives to print advertising such as Craigslist.

The past decade has been rough for print publishers around the world. As the rise of smartphones accelerated the trend towards online consumption of news and other forms of journalism at the expense of newspapers and magazines, advertisers gradually moved their budgets online as well, forcing many print publications out of existence.

a. Discriminatory Words and Phrases

Apartment advertising on seven sites was reviewed: Rent.com; Apartments.com; Trulia, craigslist; ApartmentGuide.com, HotPads.com, and ApartmentFinder.com.

All of the ads described physical features such as the number of bedrooms and baths, square footage, lease period, whether pets were allowed, and the apartment name and address. The ads did not contain words or phrases that violated the fair housing act.

One ad for a senior housing complex stated:

- ❖ "Section 8 Vouchers Welcome"
- ❖ "Allows reasonable accommodation for live-in aide"

b. Advertising on Facebook

HUD has sued Facebook, alleging that Facebook violated the Fair Housing Act by encouraging, enabling, and causing housing discrimination through the company's advertising platform.

In a separate case, Housing Rights Initiative (HRI) and a class of potential renters filed a lawsuit against seven property management firms, alleging age discrimination in advertising in the Washington, D.C. metro area. This is the first fair housing complaint against rental housing owners and operators, challenging their advertising practices on Facebook. The law suit claims the advertising platform allows the property management firms to choose their target audiences by selecting from pre-populated lists of user interests and demographics. This feature prevents advertisements from reaching audiences (e.g., elderly renters) outside of those parameters.

Facebook's pre-populated lists allows advertisers to exclude audiences from their target list on the basis of interest categories that are proxies for federally protected classes (race, color, religion, national origin, sex, familial status, and disability) such as: "Interest in Disabled Parking Permit," interest in Telemundo," "English as a second language," "parents with teenagers," "soccer moms, or "moms with preschool kinds."

Source: Apartment Management Magazine, "Numerous Leading Housing Companies Charged with Discriminating Against Older Americans in Advertising Apartments on Facebook," January 2020, page 6

c. Housing Discrimination Complaints

HUD reported that two complaints filed by South Gate residents who alleged "discriminatory advertising" in their complaints

d. Flagging Discriminatory Housing Posts

Craigslist provides the following information to its posters:

“When making any post on craigslist, you must comply with Section 3604(c) of the Fair Housing Act. This law generally prohibits stating, in any notice or ad for the sale or rental of dwelling, a discriminatory preference based on any protected categories.

“If you encounter a housing posting on craigslist that you believe violates Fair Housing laws, please flag the posting as “prohibited.” In addition to penalties that may be applied by regulatory agencies, attempts to post discriminatory ads maybe blocked and/or subjected to other remedial measures.”

Among the craigslist FAQs are “Recognizing a discriminatory posting” and “What should I do if I find a discriminatory posting?”

3. Conclusions and Recommendations

Apartment complexes rarely published newspaper print ads of vacant units for rent.

The review of online advertising revealed that no ads violated fair housing laws.

Thus, the online advertising practices have not created an impediment to fair housing choice. Although no City-initiated actions are recommended, the City should track the court cases involving Facebook.

J. HATE CRIMES

1. Background – Hate Crimes at a Residential Location

According to HUD, the AI should analyze *housing* related hate crimes; that is; where an event takes place at a residence, home or driveway. When hate crimes occur at a home, the victims can feel unwelcomed and threatened. The victims may feel that they have no recourse other than to move from the home and neighborhood of their choice. Hate crime means –

“a criminal act committed, in whole or in part, because of one or more of the following actual or perceived characteristics of the victim: (1) disability, (2) gender, (3) nationality, (4) race or ethnicity, (5) religion, (6) sexual orientation, (7) association with a person or group with one or more of these actual or perceived characteristics.” [Source: California Penal Code section 422.55]

2. Analysis of Hate Crime Data

According to the California Department of Justice (DOJ), *hate crimes are not separate distinct crimes but rather traditional offenses motivated by the offender’s bias. A bias is –*

A preformed negative opinion or attitude toward a group of persons based on their race, ethnicity, national origin, religion, gender, sexual orientation and/or physical/mental disability.

When a hate crime occurs it is referred to as an event. In the California Attorney General's report, the information about the event is a crime report or source document that meets the criteria for a hate crime. There may be one or more suspects involved, one or more victims targeted, and one or more offenses involved for each event.

Table VI-14 shows that in the nine-year period between 2010 and 2018 13 hate crime events occurred in South Gate. Based on the statewide percentage it is estimated that three or four of the 13 hate crime events may have occurred at a residence, home or driveway.

**Table VI-14
City of South Gate
Hate Crimes 2010-2018**

| Year | Number of South Gate Hate Crime Events | Statewide % at Residence |
|--------------|---|---------------------------------|
| 2010 | 1 | 28.9% |
| 2011 | 2 | 29.0% |
| 2012 | 1 | 25.4% |
| 2013 | 2 | 25.7% |
| 2014 | 1 | 25.5% |
| 2015 | 2 | 25.9% |
| 2016 | 2 | 23.8% |
| 2017 | 1 | 22.8% |
| 2018 | 1 | 20.6% |
| Total | 13 | 27.3% |

Source: California Office of the Attorney General Reports Hate Crime in California 2010-2018, Table 3 Hate Crimes: Events, Offenses, Victims, and Suspects by Location and Table 6 Hate Crimes: Events, Offenses, Victims, and Suspects by County and Jurisdiction

3. Conclusions and Recommendations

The number of hate crimes occurring at residences is few. Therefore, an impediment to fair housing choice does not exist at this time.

In FY 2020-2021 to FT 2024-2025, the City staff will review the California Department of Justice annual hate crime reports to ascertain if an action must be taken because of an increase in hate crime events. If an action is needed, it will be included in the Consolidated Plan Annual Action Plan.

The City staff also will become familiar with the resources offered by the Center for the Study of Hate and Extremism at California State University, San Bernardino. The Center is a nonpartisan research and policy center that examines the ways that bigotry, advocacy of extreme methods, or terrorism, both domestically and internationally deny civil or human rights to people on the basis of race, ethnicity, religion, gender, sexual orientation, disability or other relevant status characteristics. The Center seeks to aid scholars, community activists, government officials, law

enforcement, the media and others with objective information to aid them in their examination and implementation of law, education and policy.

SECTION VII
PUBLIC SECTOR IMPEDIMENTS ANALYSIS



A. INTRODUCTION

HUD's *Fair Housing Planning Guide* suggests that the analysis of potential public sector impediments include a discussion of the following:

- ❖ Residential Land Use Policies
- ❖ Zoning Regulations and Practices
- ❖ Building Code Regulations
- ❖ Sale of Subsidized Housing and Possible Displacement
- ❖ Property Tax Policies

B. RESIDENTIAL LAND USE POLICIES

1. Background

According to HUD:

Zoning and land use laws affect housing choice by determining where housing is built, what type of housing is built, who can live in that housing, and the cost and accessibility of the housing.

For example, limits on multi-unit developments, HUD explains, may include outright bans on multi-unit developments or indirect limits such as height limits and minimum parking requirements.

2. Analysis

The relative amounts of single- and multi-family zoned land is a fair housing concern because communities that are predominantly or exclusively single-family limit the range of available housing choices, and, as a consequence, may adversely impact fair housing protected groups such as racial minorities and disabled people.

The General Plan 2035 was adopted in December 2009. Overall, the Land Use Plan offers tremendous flexibility in building types and uses:

Single-Family Homes: Single-family homes are defined as "a single, detached dwelling unit designed for habitation by a single household on an individual lot." They are permitted in the Neighborhood Low (NL) and Neighborhood Medium (NM) areas of the City. The majority of the City is designated NL and a small percentage of areas are designated as NM.

Multi-Family Homes: The Zoning Code defines multi-family dwelling units as a building, parcel, or site with three or more dwelling units (attached or detached). They are permitted in the NM area and most of the City's urban mixed use, commercial and industrial zones. Multi-family residential is restricted to upper floor use in the CC and MS zones and requires a conditional use permit in the RC zone.

Mixed Use Development: Mixed use developments are permitted in all of the City's urban mixed use, commercial and industrial zones. However, mixed use projects in the RC zone require a conditional use permit.

Mobile Homes: The City permits manufactured housing placed on a permanent foundation in all its residential zones. Such housing is subject to the same development standards and design review as stick-built housing. Mobile home parks are permitted in the City's MH zone. Overall, only one percent of the City's housing stock is comprised of factory-built homes.

Table VII-1 demonstrates that land use policies promote multi-family housing at a variety of residential densities. An analysis included in the 2013-2021 Housing Element projects that 3,299 multifamily housing units can be developed at densities of 21, 41 and 50 housing units per acre.

**Table VII-1
City of South Gate
Projected Housing Units by Density Category**

| Density Range | Potential Density | Vacant Acres | Underutilized Acres | Total Housing Units |
|---------------|-------------------|--------------|---------------------|---------------------|
| 21-40 | 21 | 8.6 | 42.3 | 1,048 |
| 41-75 | 41 | 0.8 | 16.6 | 704 |
| 41-100 | 50 | 0.2 | 31.1 | 1,547 |
| Total | | 9.6 | 90.0 | 3,299 |

Source: City of South Gate, *2013-2021 Housing Element*, January 2014, page 80

3. Conclusions and Recommendations

The City has allocated a significant proportion of land to multi-family residential land uses. Therefore, no impediment to fair housing choice is created by the General Plan designations and allocation of land for residential land use.

C. ANALYSIS OF LAND USE AND ZONING POLICIES, REGULATIONS AND PRACTICES

1. Introduction

HUD's *Fair Housing Planning Guide* explains that among the information needed to conduct an AI is data on:

- ❖ Public policies, practices, and procedures involving housing and housing-related activities
- ❖ Zoning and land use policies

The United States Department of Justice (DOJ) has indicated that a major focus of its efforts is on public sector impediments that may restrict housing opportunities for disabled persons, including –

- ❖ Insuring that zoning and other regulations concerning land use are not employed to hinder the residential choices of these individuals, including unnecessarily restricting communal, or congregate, residential arrangements, such as group homes.
- ❖ Insuring that newly constructed multifamily housing is built in accordance with the Fair Housing Act's accessibility requirements so that it is accessible to and usable by people with disabilities, and, in particular, those who use wheelchairs.

Source: United States Department of Justice, Civil Rights Division, Housing and Civil Enforcement Section, *The Fair Housing Act*, July 25, 2008, page 4

California's Fair Employment and Housing Act states that it is unlawful:

- ❖ To discriminate against protected classes through *public or private land use practices, decisions, and authorizations*.
- ❖ Discrimination includes, but is not limited to, restrictive covenants, *zoning laws, denials of use permits, and other actions authorized under the Planning and Zoning Law*
[Emphasis added]

2. Survey of Planning and Zoning Policies and Practices

The HUD-LA Field Office has approved using a Survey to identify public sector fair housing impediments. It is referred to as a *Survey of Planning Policies and Practices, Zoning Regulations and Building Code Standards That May Pose an Impediment to Fair Housing Choice*. The analysis focuses on the questions most relevant to the City which include the following:

- ❖ Family Definition
- ❖ Disability Definition
- ❖ Definition of Boarding or Rooming House or Hotel
- ❖ Group Homes
- ❖ Transitional and Supportive Housing
- ❖ Reasonable Accommodation Procedure

a. Family Definition

Survey Question: Does the Zoning Ordinance definition of "family" have the effect of discriminating against unrelated individuals with disabilities who reside together in a congregate or group living arrangement?

1. Background

Many zoning ordinances define "family" as 1) "An individual, or two (2) or more persons related by blood, marriage or legal adoption living together as a single housekeeping unit in a dwelling unit and 2) a group not to exceed five (5) persons, excluding servants, living together as a single housekeeping unit in a dwelling unit."

This definition establishes no occupancy limit if the persons residing in a dwelling are related. But if the persons occupying a dwelling are unrelated, then the zoning regulations impose a maximum occupancy limit of five persons.

Under the foregoing definition, a group home for six disabled persons that functions like a family would be excluded from occupying a single family dwelling in an R-1 zone because they are unrelated by blood, marriage or adoption.

To comply with fair housing laws, a definition of "family" must emphasize the functioning of the members as a cohesive household:

- ❖ A definition should not distinguish between related and unrelated persons.
- ❖ A definition should not impose numerical limitations on the number of persons that may constitute a family.

Source: Kim Savage, Mental Health Advocacy Services, Inc., *Fair Housing Law Issues in Land Use and Zoning – Definition of Family and Occupancy Standards*, September 1998, pages 1-5

2. Zoning Code Definition

The Zoning Code does not define "family." The *2013-2021 Housing Element* argues that for zoning purposes a family definition is unnecessary:

Courts have ruled that defining a family serves no legitimate or useful objective or purpose recognized under the zoning and land planning power of the jurisdiction and therefore violates rights of privacy under the California Constitution. A zoning ordinance also cannot regulate residency by discriminating between biologically related and unrelated persons. Furthermore, a zoning provision cannot regulate or enforce the number of persons constituting a family.

According to legal research:

The purposes of zoning law, as it turns out, can be fully realized without defining family at all. Instead, the legal meaning of family should be adjudicated in the family law realm, not in zoning law.

Source: Kate Redburn, *Zoned Out: How Zoning Law Undermines Family Law's Functional Turn*, *The Yale Law Journal*, 2019, page 2459

The same legal research promotes the idea of defining "single housekeeping unit":

By regulating on the basis of a "single housekeeping unit" within health and safety density limits, zoning ordinances can advance their historic and statutory purposes without defining family at all. page 2462

One example of a single housing unit definition is given below:

Single housekeeping unit means an interactive group of persons jointly residing in a single dwelling unit exercising joint responsibility for and use of the dwelling's common areas, jointly sharing household expenses, jointly sharing household

activities and responsibilities such as meals, chores, and household maintenance. A boarding house shall not be considered a single housekeeping unit. If a dwelling is leased or rented under a single written or oral lease or rental agreement, the makeup of the group of persons occupying the unit must be determined by the residents of the dwelling, not the landlord or property manager, to be a single housekeeping unit.

3. Conclusions and Recommendations

The fact that the Zoning Code does not define “family” does not create an impediment to fair housing choice.

To affirmatively further fair housing, the City will take the following action:

Action 1: Evaluate the merits of including in the Zoning Code a definition of “single housekeeping unit.”

b. Disability Definition

Survey Question: Does the Zoning Ordinance or any policy document define “disability”, if at all; at least as broadly as the Fair Housing Act?

1. Background

The Fair Housing Act prohibits discrimination on the basis of handicap. “Handicap” has the same legal meaning as the term “disability.” Federal laws define a person with a disability as:

Any person who has a physical or mental impairment that *substantially limits* one or more major life activities; has a record of such impairment; or is regarded as having such an impairment. [Emphasis added]

The term “physical or mental impairments” may include conditions such as blindness, hearing impairment, mobility impairment, HIV infections, AIDS, AIDS Related Complex, mental retardation, chronic alcoholism, drug addiction, chronic fatigue, learning disability, head injury, and mental illness.

The term “major life activities” may include walking, talking, hearing, seeing, breathing, learning, performing manual tasks, and caring for oneself.

2. Zoning Code Definition

The “definitions” section of the Zoning Code does not include a “disability” definition.

Chapter 11.35 Reasonable Accommodation does include a “disability” definition:

A person with a disability is a person who has a physical or mental impairment that limits or substantially limits one or more major life activities, anyone who is regarded as having such an impairment, or anyone who has a record of such impairment.

In Government Code [12926.1\(c\)](#) –

...the Legislature has determined that the definitions of “physical disability” and “mental disability” under the law of this state require a “*limitation*” upon a major life activity, but do not require, as does the federal Americans with Disabilities Act of 1990, a “*substantial limitation*.” This distinction is intended to result in broader coverage under the law of this state than under that federal act. Under the law of this state, whether a condition limits a major life activity shall be determined without respect to any mitigating measures, unless the mitigating measure itself limits a major life activity, regardless of federal law under the Americans with Disabilities Act of 1990.

3. Conclusions and Recommendations

The Zoning Code disability definition meets the intent of federal and state fair housing laws in almost all respects. However, to eliminate what can be termed an administrative rather than actual impediment to fair housing choice, the City will take the following action:

Action 1: Delete the Reference to “Substantially Limits” in the Disability Definition

As mentioned above, the California Legislature has determined that the definitions of “physical disability” and “mental disability” under the law of this state require a “*limitation*” upon a major life activity, but do not require, as does the federal Americans with Disabilities Act of 1990, a “*substantial limitation*.”

The disability definition will be amended to delete reference to “*substantially limits*.” The amendment also will include a reference to how the State law, which provides broader protections than the federal law, defines disability.

c. Definition of Boarding or Rooming House or Hotel

Survey Question: Does the Zoning Ordinance restrict housing opportunities for individuals with disabilities and mischaracterize such housing as “boarding or rooming house” or “hotel”?

1. Background

State law requires that licensed residential care facilities not be defined within the meaning of boarding house, rooming house, institution or home for the care of minors, the aged, or the mentally infirm, foster care home, guest home, rest home, sanitarium, mental hygiene home, or other similar term which implies that a residential facility is *a business run for profit*. [Emphasis added]

2. Zoning Code Definition

The Zoning Code does not define “boarding house or rooming house.”

3. Conclusions and Recommendations

The fact that the Zoning Code does not define “boarding or rooming house” does not create an impediment to fair housing choice.

d. Group Homes

Survey Question: Group Homes - Does the Zoning Code allow any number of unrelated persons to reside together, but restrict such occupancy, if the residents are disabled?

1. Background

The joint statement by DOJ and HUD describes this issue as follows:

A local government may generally restrict the ability of groups of unrelated persons to live together as long as the restrictions are imposed on all such groups. Thus, in the case where a family is defined to include up to six unrelated people, an ordinance would not, on its face, violate the Act if a group home of seven unrelated people *with* disabilities was not allowed to locate in single-family zoned neighborhood, because a group of seven unrelated people *without* disabilities would also not be allowed. However, ... because persons with disabilities are also entitled to request reasonable accommodations in rules and policies, the group home for seven persons with disabilities would have to be given the opportunity to seek an exception or waiver. If the criteria for reasonable accommodation are met, the permit would have to be given in that instance, but the ordinance would not be invalid in all circumstances. [Emphasis added]

Source: U.S. Department of Justice and U.S. Department of Housing and Urban Development, Group Homes, Local Land Use and the Fair Housing Act, Questions and Answers on the Fair Housing Act and Zoning, updated August 6, 2015

Under California law -

Licensed group homes serving six or fewer residents must be treated like single-family homes or single dwelling units for zoning purposes. In other words, a licensed group home serving six or fewer residents ***must be a permitted use in all residential zones in which a single-family home is permitted***, with the same parking requirements, setbacks, design standards, and the like. No conditional use permit, variance, or special permit can be required for these small group homes unless the same permit is required for single-family homes, nor can parking standards be higher, nor can special design standards be imposed. The statutes specifically state that these facilities cannot be considered to be boarding houses or rest homes or regulated as such. Staff members and operators of the facility may reside in the home *in addition* to those served. [Emphasis added]

This rule appears to apply to virtually all licensed group homes. Included are facilities for persons with disabilities and other facilities (Welfare & Inst. Code 5116), residential health care facilities (Health & Safety Code 1267.8, 1267.9, & 1267.16), residential care facilities for the elderly (Health & Safety Code 1568.083 - 1568.0831, 1569.82 - 1569.87), community care facilities (Health & Safety Code 1518, 1520.5, 1566 - 1566.8, 1567.1, pediatric day health facilities (Health & Safety Code 1267.9; 1760 - 1761.8), and facilities for alcohol and drug treatment (Health & Safety Code 11834.23).

Barbara Kautz, Goldfarb & Lipman LLP, *Select California Laws Relating to Residential Recovery Facilities and Group Homes*, pages 2 and 3, presented at the Third Annual Fair Housing and Public Accommodations Symposium, Golden State University, April 22, 2011

State law -- as the summary below explains -- allows cities to require a conditional use permit for residential care facilities for seven or more persons.

Because California law only protects facilities serving six or fewer residents, many cities and counties restrict the location of facilities housing seven or more clients. They may do this by requiring use permits, adopting special parking and other standards for these homes, or prohibiting these large facilities outright in certain zoning districts. While this practice may raise fair housing issues, no published California decision prohibits the practice, and analyses of recent State legislation appear to assume that localities can restrict facilities with seven or more clients. Some cases in other federal circuits have found that requiring a conditional use permit for large group homes violates the federal Fair Housing Act. However, the federal Ninth Circuit, whose decisions are binding in California, found that *requiring a conditional use permit for a building atypical in size and bulk for a single-family residence does not violate the Fair Housing Act.* [Emphasis added]

Barbara Kautz, Goldfarb & Lipman LLP, *Select California Laws Relating to Residential Recovery Facilities and Group Homes*, pages 3, presented at the Third Annual Fair Housing and Public Accommodations Symposium, Golden State University, April 22, 2011

2. Zoning Code Regulations

The Zoning Code includes the following definitions of residential care facilities:

“Residential care facility” (land use) means an integrated facility that provides accommodations for varying levels of care to residents, depending on need. The use contains the following components: independent living units; residential care facilities; and continuing care, Alzheimer, and related facilities. This use may include supportive medical and nonmedical services directly affiliated with the treatment of on-site patients. Residential care facilities are categorized by the following programmatic elements:

1. “Residential care facility, general” means any state-licensed facility, place, or structure that is maintained and operated to provide nonmedical residential care, day treatment, or foster agency services for *six or fewer adults*, children, or adults and children as defined in Article 1 of Chapter 3 of the California Health and Safety Code, Section [1500](#) et seq. This use includes the administration of limited medical assistance (e.g., dispensing of prescribed medications).
2. “Residential care facility, large” means any state-licensed facility, place, or structure that is maintained and operated to provide nonmedical residential care, day treatment, or foster agency services for *seven or more adults*, children, or adults and children as defined in Article 1 of Chapter 3 of the California Health and Safety Code, Section [1500](#) et seq. This use includes the administration of limited medical assistance (e.g., dispensing of prescribed medications). This

definition excludes hospitals and those facilities that qualify as small residential care homes.

Residential care facilities for six or fewer persons are a permitted use in the following zones:

- ❖ Neighborhood Low (NL)
- ❖ Neighborhood Medium (NM)
- ❖ Transit Village (TV)
- ❖ Corridor 1 (CDR 1)
- ❖ Corridor 2 (CDR 2)
- ❖ Industrial Flex (IF)
- ❖ Urban Neighborhood (UN)

According to the State Community Care Licensing Division’s database, five Adult Residential Facilities are located in South Gate. They have a combined capacity of 19 beds. The facilities are actually single family homes housing two to six adults, most of who are developmentally disabled.

**Table VII-2
South Gate Adult Residential Facilities: 2018**

| Name | Address | Capacity |
|------------------------|---------------------------|-----------------|
| Aacres CA LLC Glenwood | 2418 Glenwood Place | 4 |
| Aacres CA LLC | 11343 Pennsylvania Avenue | 4 |
| Ambiria Homes II | 8141 Victoria Avenue | 3 |
| Casa Barbara | 3453 Liberty Boulevard | 4 |
| Choice R US, Inc. | 10008 Dorothy Avenue | 4 |

Source: California Community Care Licensing, Adult Residential Facilities, City of South Gate, March 2020

An adult residential facility is a residential home for adults 18 through 59 with mental health care needs or physical or developmental disabilities and who require or prefer assistance with care and supervision.

The Licensing Division’s database indicates that zero Residential Care Facilities for the Elderly are located in South Gate. A residential care facility for the elderly means a housing arrangement voluntarily chosen by persons 60 years of age or over based on their needs,

3. Conclusions and Recommendations

The Zoning Code group home regulations do not pose an impediment to fair housing choice.

e. Transitional and Supportive Housing

Survey Question: Transitional and Supportive Housing - Does the Zoning Ordinance or other planning policy document address housing for “special needs” populations?

1. Background

Special needs populations means persons with low incomes who have one or more disabilities, including mental illness, HIV or AIDS, substance abuse, or other chronic health condition, or developmental disabilities, and may include, among other populations, adults, emancipated minors, families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, and homeless people.

To the extent that zoning and other planning policy documents fail to provide for, or impose barriers to, these types of housing an impediment to fair housing choice exists.

2. Zoning Ordinance Regulations**a. Planning and Zoning Requirements**

Government Code Section 65583(c)(3) states:

Transitional housing and supportive housing shall be considered a residential use of property and shall be subject only to those restrictions that apply to other residential dwellings of the same type in the same zone. Supportive housing, as defined in Section 65650, shall be a use by right in all zones where multifamily and mixed uses are permitted, as provided in Article 11. (commencing with Section 65650).

HCD has stated that local zoning must set forth provisions that –

...transitional housing and supportive housing are permitted as a residential use and only subject to those restrictions that apply to other residential dwellings of the same type in the same zone (Government Code Section 65583(a)(5)). In other words, transitional housing and supportive housing are permitted in all zones allowing residential uses and are *not subject to any restrictions (e.g. occupancy limit) not imposed on similar dwellings (e.g. single-family homes, apartments) in the same zone in which the transitional housing and supportive housing is located.* For example, transitional housing located in an apartment building in a multifamily zone is permitted in the same manner as an apartment building in the same zone and supportive housing located in a single-family home in a single-family zone is permitted in the same manner as a single-family home in the same zone.

Source: State Department of Housing and Community Development, Memorandum, *Senate Bill 2 – Legislation Effective January 1, 2008: Local Planning and Approval for Emergency Shelters and Transitional and Supportive Housing*, May 7, 2008 Updated April 10, 2013, page 14

b. Definitions

SB 2 – legislation which took effect on January 1, 2008 – establishes planning and zoning requirements for transitional and supportive housing. SB 745, which took effect on January 1, 2014, generally amends Section 65582 of the Government Code to replace prior Health and Safety Code definitions of "supportive housing," "target population," and "transitional housing" with definitions now more specific to housing element law. Previously, definitions of these terms were found in the Health and Safety Code. AB 1403, which took effect on January 1, 2016, added a definition of "supportive services."

The South Gate Zoning Code defines "supportive housing" as follows:

"Supportive housing" (land use) means housing with no limit on length of stay that is occupied by the target population and that is linked to on-site or off-site services that assist the resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community, in accordance with Section [65582](#) et seq. of the Government Code, and as amended. Housing meeting this definition shall be permitted, conditionally permitted, or not permitted, as per the regulation of other residential dwellings of the same type in the same zone. All standards and regulations of this title governing the regulation of other residential dwellings of the same type, and in the same zone, shall apply.

The definition is consistent with the Government Code Section 65582(g) definition.

The Zoning Code defines "transitional housing" as follows:

"Transitional housing" (land use) means buildings configured as rental housing developments, but operated under program requirements that require the termination of assistance and recirculating of the assisted unit to another eligible program recipient at a predetermined future point in time that shall be no less than six months from the beginning of assistance, in accordance with Section [65582](#) et seq. of the California Government Code, and as amended. Housing meeting this definition shall be permitted, conditionally permitted, or not permitted, as per the regulation of other residential dwellings of the same type in the same zone. All standards and regulations of this title governing the regulation of other residential dwellings of the same type, and in the same zone, shall apply.

The definition is consistent with the Government Code Section 65582(j) definition.

The Public Counsel has advised the following:

...to comply with state law, jurisdictions should specifically adopt the SB 2 definitions of transitional and supportive housing into their Zoning Ordinances. They should also include an *affirmative statement* following each definition that such use "may be subject only to those restrictions that apply to other residential dwellings of the same type in the same zone." [Emphasis added]

Public Counsel Community Development Project, *Local Zoning Best Practices for Shelter and Transitional and Supportive Housing – An SB 2 (2007) Primer*, October 2017, pages 13 and 14 [Public Counsel is a not-for-profit law firm]

The definitions of supportive and transitional housing include the affirmative statement recommended by the Public Counsel.

c. Permitted Uses

The Public Counsel also recommends that -

...jurisdictions should explicitly include supportive and transitional housing as permitted uses in all residential zones, subject only to the development standards applicable to residential uses of the same type in the same zone. To avoid any internal conflicts with the Zoning Ordinance, the jurisdiction should also update any applicable tables of permitted uses to mark supportive and transitional housing as permitted uses.

Table 11.21-5 of the Zoning Code lists supportive and transitional housing as permitted uses in the following Residential Zones:

- ❖ Neighborhood Low (NL)
- ❖ Neighborhood Medium (NM)
- ❖ Mobile Home (MH)

The Public Counsel also advises cities that if residential development is permitted in mixed-use zones, the jurisdiction should make explicit that transitional and supportive housing are permitted in those zones, and that such uses will be processed and treated equally to applications for other permitted residential development.

Table 11.21-3 of the Zoning Code lists supportive and transitional housing as permitted uses in the following Urban Mixed Use Zones:

- ❖ Transit Village (TV)
- ❖ Corridor 1 (CDR 1)
- ❖ Corridor 2 (CDR 2)
- ❖ Industrial Flex (IF)

Transitional and supportive housing is a permitted use in all zones that permit residential land uses and are conditionally permitted in the Regional Commercial (RC) Zone, Civic Center (CC) Zone and Urban Neighborhood (UN) Zone.

The Regional Commercial (RC) zone is intended to provide for retail and service-oriented uses in a setting that is suitable for large, regional-serving commercial development and to attract patrons from South Gate and the greater region (**Figure 11.24-1**). This zone is intended to foster a supportive climate for retail and service commercial uses. The RC zone is intended to implement, and is consistent with, the single-use retail place type designation of the general plan.

The Civic Center (CC) zone is intended to solidify the area along California Avenue at the intersection of Firestone Boulevard as the major focal point and civic heart for the South Gate community. This zone promotes civic and institutional uses as the primary attraction, blended with community-oriented retail, business services, lodging, and housing.

The Urban Neighborhood (UN) zone is intended for areas adjacent to or surrounding major community corridors to provide retail and service uses in a more automotive-oriented setting and to provide buildings that transition to adjacent established neighborhoods. The UN zone promotes the blending of housing, retail and services, office, and civic uses.

The CC and UN Zones each permit Live/Work Units, Mixed-Use and Multifamily Residential land uses. However, supportive and transitional housing are conditionally permitted uses in these two zones. Since the zones permit residential uses, they also should permit supportive and transitional housing subject to the development standards of each zone.

Additionally, Government Code Section 65651(a) states:

Supportive housing shall be a use by right in zones where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses....

However, to be judged a use by right, the supportive housing development must satisfy affordability and other requirements. Attachment A describes the Government Code supportive housing requirements.

d. Use Restrictions

The Public Counsel has offered the following insights:

Jurisdictions must still ensure that in practice, supportive and transitional housing developments are not subject to greater restrictions when compared to other residential uses of the same type in the same zone during the approvals process. For example, if a provider uses an existing duplex for transitional or supportive housing, then that project is subject only to development standards applied to any other duplex in that zone, and would not need separate approval for a change in use. Likewise, if a developer chooses to build transitional or supportive housing apartments, then standards for multi-family apartment buildings in that zone will apply. And while transitional and supportive housing are typically multi-family housing, they can also be single family residences.

The Zoning Ordinance *does not* impose additional use restrictions on the development of supportive and transitional housing. For example, use restrictions such as minimum and maximum housing unit sizes; occupancy limits; and separation requirements.

3. Conclusions and Recommendations

The Zoning Code requirements pertaining to transitional housing and supportive housing for the most part meet the intent of state law. However, to eliminate what may be termed an administrative, rather than actual, impediment to fair housing choice the City will take the following action:

Action 1: Amend the Transitional and Supportive Housing Zoning Requirements

- ❖ Add transitional housing as a permitted use in the CC and UN Zones.
- ❖ Incorporate in the Zoning Ordinance the by right use requirements of AB 2162

f. Reasonable Accommodation Procedure

Survey Question: Does the City have, either by ordinance or policy, a process by which persons with disabilities can request reasonable accommodations (modifications or exceptions) to adopted ordinances and to rules, policies, practices, or services, necessary to afford persons with disabilities an equal opportunity to use or enjoy a dwelling?

1. Background

Key reasonable accommodation requirements include:

- ❖ Local governments are required to provide in their zoning regulations for a reasonable accommodation procedure
- ❖ A reasonable accommodation procedure must operate promptly and efficiently and not impose significant costs
- ❖ Information submitted by a disabled person or their representative must be kept confidential
- ❖ A reasonable accommodation procedure must meet the tests of being deemed "reasonable"
- ❖ Local governments must make efforts to insure that the reasonable accommodation procedure is well known in the community
- ❖ Local governments must ensure information is available for people who wish to request a reasonable accommodation with respect to zoning, permit processing, or building laws

a. Requirement to Provide a Reasonable Accommodation Procedure

According to the United States Departments of Justice (DOJ) and Housing and Urban Development (HUD):

...the Fair Housing Act makes it unlawful to refuse to make 'reasonable accommodations' (modifications or exceptions) to rules, policies, practices, or services, when such accommodations may be necessary to afford persons with disabilities an equal opportunity to use or enjoy a dwelling.

Where a local Zoning Ordinance specifies procedures for seeking a departure from the general rule, courts have decided, and the DOJ and HUD agree, that these procedures must ordinarily be followed. If no procedure is specified, persons with disabilities may, nevertheless, request a reasonable accommodation in some other way, and a local government is obligated to grant it if it meets the criteria discussed above.

Source: Joint Statement of the Department of Justice and the Department of Housing and Urban Development, *Group Homes, Local Land Use, and the Fair Housing Act*, August 18, 1999, pages 3 and 4.

The California Department of Housing and Community Development (HCD) requires cities and counties to describe their reasonable accommodation procedure in draft and final housing elements. Jurisdictions without an adopted procedure must include a program to prepare and adopt a policy or ordinance.

Disability Rights California states:

Title II of the ADA, Section 504, and the federal Fair Housing Act, as well as state laws such as California's Fair Employment and Housing Act, require local governments to make reasonable accommodations for people with disabilities in the land use and zoning areas when necessary to allow them to access housing.

Source: Disability Rights California, *Creating a Reasonable Accommodation Ordinance That Protects People with Disabilities*, August 10, 2015, page 2

b. Timeline and Costs for Processing a Reasonable Accommodation Procedure

According to the DOJ and HUD, a local government's failure to respond to a request for reasonable accommodation or an inordinate delay in responding could also violate the federal Fair Housing Act.

A fundamental reason for adopting a reasonable accommodation procedure is to avoid the time (e.g., public hearings) and costs required of the conditional use permit and variance procedures. The Mental Health Advisory Services, Inc. has offered the following explanations:

The first reason that existing entitlement procedures should be rejected is that both the conditional use permit and variance processes involve a public notice and hearing which often creates a forum for neighborhood opposition that may unduly influence decision makers. And, a number of courts have held that a fair housing reasonable accommodation is not provided by requiring a developer or provider of housing for people with disabilities to submit to a conditional use permit or variance process. Going through such a process has a discriminatory effect because it requires a public notice and hearing that can stigmatize prospective residents with disabilities. The courts have also recognized that the variance process is lengthy, costly and burdensome.

Mental Health Advocacy Services, Inc., *Fair Housing Reasonable Accommodation: A Guide to Assist Developers and Providers of Housing for People with Disabilities in California*, February 2017, 17 pages

According to Disability Rights California, charging a fee for a reasonable accommodation request is unlawful under Title II of the ADA, Section 504 of the Rehabilitation Act of 1973, as well as the California Unruh Civil Rights Act,

c. Confidentiality of Information

Although public disclosure is a common provision in most land use and zoning ordinances, Disability Rights California argues that "... information from people regarding their disabilities must be kept confidential. This means that the city cannot give notice to neighbors or others, cannot review or consider the requests in public hearings or forums, and must keep all disability information confidential."

The City of Oakland agreed with Disability Rights California and revised its ordinance to eliminate potential confidentiality violations. HCD considers Oakland's Reasonable Accommodation Procedure a model and has posted it on the Department's website.

The City of Oakland, for example, revised the draft procedure so that requests were handled in a confidential manner on a separate, but coordinated track with other related land use approvals. The adopted procedure states:

Whenever reasonable accommodation is requested for a proposal also requiring one or more discretionary land use permits, including but not limited to a design review, conditional use permit, planned unit development permit, or variance, to the extent feasible the application for reasonable accommodation shall be submitted with the application for said permit(s). **The reasonable accommodation request shall be processed and considered *separately* from any land use permits** requested for the same proposal as specified in 17.131.040(2). [Emphasis added]

d. "Reasonable Tests"

Under the Fair Housing Act, an accommodation is deemed "reasonable" so long as it does not impose "undue financial and administrative burdens" on the municipality or require a "fundamental alteration in the nature of the zoning scheme."

Source: Office of the Attorney General, *Letter to California Jurisdictions re: Adoption of a Reasonable Accommodation Procedure*, May 5, 2001

In regard to "reasonable tests," the Mental Health Advocacy Services offers the following insights:

In a fair housing reasonable accommodation procedure, once an applicant establishes that the accommodation is necessary to overcome barriers related to disability, the request should be granted unless a jurisdiction can demonstrate that the accommodation will impose an undue financial or administrative burden on the jurisdiction or that the accommodation will result in a fundamental alteration of the local zoning code. These two factors require that the city or county demonstrate that the requested accommodation is "unreasonable."

Mental Health Advocacy Services, Inc., *Fair Housing Reasonable Accommodation: A Guide to Assist Developers and Providers of Housing for People with Disabilities in California*, February 2017, 17 pages

e. *Insuring that the Reasonable Accommodation Procedure is Well Known in the Community*

According to DOJ and HUD, the local governments should also make efforts to insure that the availability of the reasonable accommodation procedure is well known within the community.

According to HCD a reasonable accommodation procedure must "...ensure information is available for people who wish to request a reasonable accommodation with respect to zoning, permit processing, or building laws."

2. Zoning Code Regulations

a. Requirement to Provide a Reasonable Accommodation Procedure

Chapter 11.35 of the Zoning Code describes the Reasonable Accommodation Procedure. According to the Zoning Code:

The purpose of this chapter is to provide a procedure to request reasonable accommodation for persons with disabilities seeking equal access to housing under the federal Fair Housing Act and the California Fair Employment and Housing Act ("the Acts") in the application of zoning laws and other land use regulations, policies, and procedures.

A request for reasonable accommodation may include a modification or exception to the rules, standards, and/or practices for the siting, development, and/or use of housing or housing-related facilities that would eliminate or modify regulatory barriers to provide a person with a disability equal opportunity to housing of his/her choice.

The request for reasonable accommodation may be made by any person with a disability, his/her representative, or any entity when the application of a zoning law or other land use regulation, policy, or practice acts as a barrier to fair housing opportunities.

b. Timeline and Costs for Processing a Reasonable Accommodation Procedure

If no approval is sought other than the request for a reasonable accommodation, a decision is made within 30 days. Within the 30-day period, a written determination is made to grant, grant with modifications, or deny the request for a reasonable accommodation.

The City does not charge an application or processing fee for a request for a reasonable accommodation.

c. Confidentiality of Information

A request for a reasonable accommodation can be submitted on an application form or in the form of a letter transmitted to the Community Development Department. A request must contain the following information:

- ❖ The applicant's name, address, and telephone number.
- ❖ Address of the property for which the request is being made.
- ❖ The current actual use of the property.

A request for reasonable accommodation that is submitted for concurrent review with a discretionary land use application is reviewed by the authority reviewing the discretionary land use application. The written determination on whether to grant or deny the request for reasonable accommodation is made in compliance with the ***applicable review procedure*** for the discretionary review

This means that both the request for reasonable accommodation and the discretionary land use application can be reviewed at a public hearing by the Planning Commission. This, in turn, means that the information pertaining to the disabled person can become information available to the public (e.g., staff reports, public hearing testimony, and meeting minutes).

The City of Oakland example cited earlier separates the requests for reasonable accommodation from the discretionary land use application process. Therefore, potential confidentiality violations are avoided.

d. "Reasonable Tests"

Section 11.35.050 of the reasonable accommodation procedure describes the findings that must be made to grant or deny a request. Among the findings are the two reasonable tests which were previously described as being mentioned by the California Attorney General in his letter to cities and counties.

e. Insuring that the Reasonable Accommodation Procedure is Well Known in the Community

The DOJ, HUD and HCD all encourage jurisdictions to make the reasonable accommodation procedure well known in the community. A brochure describing the reasonable accommodation procedure is not available to the public. The application is not posted on the Community Development Department's webpage regarding Land Use and Development Application Procedures.

3. Conclusions and Recommendations

As described above, one requirement of the Reasonable Accommodation Procedure should be revised to eliminate the potential for creating an impediment to fair housing choice. The City will take the following action:

Action 1: Consider revising Section 11.35.040 so that that a request for a reasonable accommodation request is processed and considered *separately* from any land use discretionary permits.

An impediment to fair housing choice is created because the community is unaware of the reasonable accommodation and no brochure or application is available to request an accommodation. The City will take the following action:

Action 2: Prepare a Brochure or Flyer to Promote the Reasonable Accommodation Procedure and Prepare an Application that will be Posted on the Community Development Department's webpage

D. BUILDING CODES

1. Background

The 1996 *Fair Housing Planning Guide* suggest an analysis of local building, occupancy codes and health and safety codes that may affect the availability of housing for minorities, families with children and persons with disabilities. (page 4-6) The HUD-Los Angeles Field Office *Survey of Planning Policies and Practices, Zoning Regulations and Building Code*

Standards That May Pose an Impediment to Fair Housing Choice asks the following question:

Does the Zoning Ordinance or Building Code establish occupancy standards or maximum occupancy limits that are more restrictive than state law, which incorporates the Uniform Housing Code (UHC)?

Occupancy standards sometimes can impede housing choice for families with children or for disabled persons. For example, some jurisdiction's zoning regulations have attempted to limit occupancy to five related persons occupying a single family home, or to strictly establish an occupancy standard of no more than two persons per bedroom. Such regulations can limit housing availability for some families with children, or prevent the development of housing for disabled persons.

The Federal Fair Housing Act (FFHA) also provides that nothing in the Act "limits the applicability of any reasonable local, State or Federal restrictions regarding the maximum number of occupants permitted to occupy a dwelling." [Section 807(b)(1)]

2. Analysis

The City uses the most recent editions of the following Codes: California Administrative Code, California Residential Code, California Energy Code, California Green Building Standards Code, California Referenced Standards Code, Uniform Solar Energy Code, California Historical Building Code, and California Existing Building Code. No local amendments that would impede housing development have been adopted.

The City enforces Title 24 of the California Code of Regulations that regulates the access and adaptability of buildings to accommodate persons with disabilities. No unique restrictions are in place that would constrain the development of housing for persons with disabilities. Compliance with provisions of the Code of Regulations and California Building Standards Code is reviewed and enforced by the Division of Building and Safety as a part of the building permit submittal.

The *2013-2021 Housing Element* includes the following policy:

The City should promote the use of universal design principles to provide housing that is adaptable to residents of varied abilities. Goal H4: Improved Housing for Underserved Populations, Policy p.1

According to an analysis of occupancy standards:

The Legislature, by adopting this Uniform Housing Code standard, intends to preempt local occupancy standards generally. Municipalities may deviate from the uniform occupancy standard only if, pursuant to specific state provisions, they make express findings that a deviation is reasonably necessary due to "climatic, geological or topographical conditions." Local governments should adopt the foregoing Uniform Housing Code standard for compliance with fair housing laws and to address health and safety concerns in the community.

Source: Mental Health Advocacy Services, Inc., *Fair Housing Issues in Land Use and Zoning: Definitions of Family and Occupancy Standards*, September 1998, page 7

California's occupancy standard for residential dwellings is an example of a permissible neutral standard:

Room dimensions (b) Floor Area: Dwelling units and congregate residences shall have at least one room which shall have not less than 120 square feet of floor area. Other habitable rooms, except kitchens, shall have an area of not less than 70 square feet. Where more than two persons occupy a room used for sleeping purposes, the required floor area shall be increased at the rate of 50 square feet for each occupant in excess of two.

Section 17958.1 of the Health and Safety Code also establishes an occupancy standard for efficiency dwelling units:

(a) Notwithstanding Sections 17922, 17958, and 17958.5, a city, county, or city and county may, by ordinance, permit efficiency units for occupancy by no more than *two persons* which have a minimum floor area of 150 square feet and which may also have partial kitchen or bathroom facilities, as specified by the ordinance. In all other respects, these efficiency units shall conform to minimum standards for those occupancies otherwise made applicable pursuant to this part.

3. Conclusions and Recommendations

There is no impediment to fair housing choice because the City adheres to the Uniform Housing Code and Building Code occupancy standards. Attachment B describes the state law regarding occupancy standards that South Gate has adopted.

E. SALE OF SUBSIDIZED HOUSING AND POSSIBLE DISPLACEMENT

1. Background

HUD's *Fair Housing Planning Guide* (page 2-31) suggests that an AI include an analysis of the "Sale of subsidized housing and possible displacement." California law requires the City's Housing Element to:

- ❖ Estimate the existing stock of affordable housing that is at risk of conversion to market rate housing and
- ❖ If housing is at risk of conversion within the next 10 years to adopt policies to encourage its preservation as affordable housing

2. Inventory of Assisted Housing at Risk of Conversion to Market Rate Housing

Existing housing that receives governmental assistance represents one of the largest supplies of affordable housing in South Gate and other communities. Because of the importance of these assisted units in maintaining affordable housing, each Housing Element must include an analysis of existing multi-family rental units at risk of conversion to market-

rate housing through the next 10 years. This risk of conversion might be due to termination of subsidy contract, mortgage prepayment or expiring use restrictions.

Assisted units include projects which received funding under federal, State or local programs, including HUD, State and local bond programs, density bonuses, and local redevelopment or direct assistance programs. Table VI-3 provides an inventory of publicly assisted multi-family rental housing in South Gate. One of the apartment developments is at very high risk of converting to market rate housing.

Very High Risk means affordability expires in less than one year.

Low Risk means that affordability expires in 10 or more years.

**Table VII-3
City of South Gate
Publicly Assisted Multi-Family Rental Housing: 2020**

| Property Name | Address | Number of Assisted Units | Expiration Date | Financing | Risk |
|-----------------------------|-----------------------|---------------------------------|------------------------|------------------|-------------|
| Pennsylvania Square | 3170 Southern Avenue | 75 | 2019 | HUD PBRA | Very High |
| Hollydale Senior Apartments | 12222 Garfield Avenue | 100 | 2064 | LIHTC | Low |
| Calden Court Apartments | 8901 Calden Avenue | 214 | 2069 | LIHTC | Low |
| Path Villas | 5610 Imperial Highway | 59 | 2072 | LIHTC | Low |

Source: Southern California Association of Governments, Final Methodology Data Appendix, updated February 14, 2020, Affordable Housing Units at Risk –Los Angeles County, inventory and at risk analysis prepared by the California Housing Partnership, June 2019

3. Conclusions and Recommendations

Recommendations are not proposed because the adopted *2013-2021 Housing Element* includes policies and programs to preserve at-risk affordable housing developments.

F. PROPERTY TAX ASSESSMENTS

1. Background

HUD's *Fair Housing Planning Guide*, Volume 1 (March 1996) indicates that a potential public sector impediment is "real estate property tax assessment." Entitlement jurisdictions should analyze property tax policies in the AI. Apparently, this analysis is suggested because of the potential for differential assessments that may adversely impact one or more of the protected classes. In California, however, property tax policies are established by State laws and localities wishing to enact additional taxes must seek the approval of the electorate.

2. Real Estate Property Tax Assessment Regulations

State law mandates that all property is subject to taxation unless otherwise exempted. Property taxes are based on a property's assessed value. Property tax bills show land and improvement values. *Improvements* include all assessable buildings and structures on the land. *It does not necessarily mean recently "improved" property.* In general, properties that are owned and used by educational, charitable, religious or government organizations may be exempt from certain property taxes.

Under Proposition 13 (Prop 13), real property is reappraised only when a change-in-ownership occurs or new construction takes place. Generally, a change-in-ownership is a sale or transfer of property, while new construction is any improvement to property that is not considered normal maintenance. Except in certain instances, real property assessments cannot be increased by more than 2% annually.

Beginning with the 1978-1979 fiscal year, Prop 13 limits the amount of property taxes that can be collected from an owner of locally assessed real property to 1% of the property's full cash value, plus bonds approved by the voters, service fees, improvement bonds, and special assessments. The 1% limit applies to all types of taxable real property.

Prop 13 rolled back the current assessed values of real property to the values shown on the 1975-1976 assessment roll. The adjusted values could then be increased by no more than 2% per year as long as *the same taxpayer* continued to own the property. For property that is sold or newly constructed after March 1, 1975, the assessed value would be set at the appraised (or market) value at the time of sale or construction. As a result, two identical properties with the same market value could have different assessed values for tax purposes, if one of them has been sold since March 1, 1975.

Long-time property owners benefit from lower assessments, while newer property owners are adversely impacted by assessments that can be dramatically higher than those of a similar property held for many years. Historically, the market value of real property has increased at a substantially greater rate than the assessed value.

According to the Los Angeles County Office of the Assessor the City of South Gate has a 2019 assessed value of \$6,231,299,363, which is an increase of 5.6% from the prior year. The City has 10,664 single family residential parcels and 3,478 residential income parcels.

Source: Los Angeles Office of the Assessor, *2019 Annual Report*, December 12, 2019, page 32

3. Conclusion

City practices do not affect real estate property tax assessments.

ATTACHMENT A
SUPPORTIVE HOUSING GOVERNMENT CODE REQUIREMENTS

GOVERNMENT CODE - GOV**TITLE 7. PLANNING AND LAND USE [65000 - 66499.58]**

(Heading of Title 7 amended by Stats. 1974, Ch. 1536.)

DIVISION 1. PLANNING AND ZONING [65000 - 66210]

(Heading of Division 1 added by Stats. 1974, Ch. 1536.)

CHAPTER 3. Local Planning [65100 - 65763]

(Chapter 3 repealed and added by Stats. 1965, Ch. 1880.)

ARTICLE 11. Supportive Housing [65650 - 65656]

(Article 11 added by Stats. 2018, Ch. 753, Sec. 3.)

65650.

For purposes of this article, the following definitions shall apply:

(a) "Supportive housing" shall have the same meaning as defined in Section 50675.14 of the Health and Safety Code.

(b) "Supportive services" shall have the same meaning as defined in Section 65582.

(c) "Target population" shall have the same meaning as defined in Section 50675.14 of the Health and Safety Code.

(d) "Use by right" shall have the same meaning as defined in subdivision (i) of Section 65583.2.

(Added by Stats. 2018, Ch. 753, Sec. 3. (AB 2162) Effective January 1, 2019.)

65651.

(a) Supportive housing shall be a use by right in zones where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses, if the proposed housing development satisfies all of the following requirements:

(1) Units within the development are subject to a recorded affordability restriction for 55 years.

(2) One hundred percent of the units, excluding managers' units, within the development are dedicated to lower income households and are receiving public funding to ensure affordability of the housing to lower income Californians. For purposes of this paragraph, "lower income households" has the same meaning as defined in Section 50079.5 of the Health and Safety Code.

(3) At least 25 percent of the units in the development or 12 units, whichever is greater, are restricted to residents in supportive housing who meet criteria of the target population. If the development consists of fewer than 12 units, then 100 percent of the units, excluding managers' units, in the development shall be restricted to residents in supportive housing.

(4) The developer provides the planning agency with the information required by Section 65652.

(5) Nonresidential floor area shall be used for onsite supportive services in the following amounts:

(A) For a development with 20 or fewer total units, at least 90 square feet shall be provided for onsite supportive services.

(B) For a development with more than 20 units, at least 3 percent of the total nonresidential floor area shall be provided for onsite supportive services that are limited to tenant use,

including, but not limited to, community rooms, case management offices, computer rooms, and community kitchens.

(6) The developer replaces any dwelling units on the site of the supportive housing development in the manner provided in paragraph (3) of subdivision (c) of Section 65915.

(7) Units within the development, excluding managers' units, include at least one bathroom and a kitchen or other cooking facilities, including, at minimum, a stovetop, a sink, and a refrigerator.

(b) The local government may require a supportive housing development subject to this article to comply with objective, written development standards and policies; provided, however, that the development shall only be subject to the objective standards and policies that apply to other multifamily development within the same zone.

(c) Notwithstanding any other provision of this section to the contrary, the local government shall, at the request of the project owner, reduce the number of residents required to live in supportive housing if the project-based rental assistance or operating subsidy for a supportive housing project is terminated through no fault of the project owner, but only if all of the following conditions have been met:

(1) The owner demonstrates that it has made good faith efforts to find other sources of financial support.

(2) Any change in the number of supportive service units is restricted to the minimum necessary to maintain project's financial feasibility.

(3) Any change to the occupancy of the supportive housing units is made in a manner that minimizes tenant disruption and only upon the vacancy of any supportive housing units.

(d) If the proposed housing development is located within a city with a population of fewer than 200,000 or the unincorporated area of a county with a population of fewer than 200,000, and the city or the unincorporated area of the county has a population of persons experiencing homelessness of 1,500 or fewer, according to the most recently published homeless point-in-time-count, the development, in addition to the requirements of subdivision (a), shall consist of 50 units or fewer to be a use by right pursuant to this article. A city or county described in this subdivision may develop a policy to approve as a use by right proposed housing developments with a limit higher than 50 units.

(Added by Stats. 2018, Ch. 753, Sec. 3. (AB 2162) Effective January 1, 2019.)

65652.

A developer of supportive housing subject to this article shall provide the planning agency with a plan for providing supportive services, with documentation demonstrating that supportive services will be provided onsite to residents in the project, as required by Section 65651, and describing those services, which shall include all of the following:

(a) The name of the proposed entity or entities that will provide supportive services.

(b) The proposed funding source or sources for the provided onsite supportive services.

(c) Proposed staffing levels.

(Added by Stats. 2018, Ch. 753, Sec. 3. (AB 2162) Effective January 1, 2019.)

65653.

(a) The local government shall approve a supportive housing development that complies with the applicable requirements of this article.

(b) The local government shall notify the developer whether the application is complete within 30 days of receipt of an application to develop supportive housing in accordance with this article. The local government shall complete its review of the application within 60 days

after the application is complete for a project with 50 or fewer units, or within 120 days after the application is complete for a project with more than 50 units.

(Added by Stats. 2018, Ch. 753, Sec. 3. (AB 2162) Effective January 1, 2019.)

65654.

If the supportive housing development is located within one-half mile of a public transit stop, the local government shall not impose any minimum parking requirements for the units occupied by supportive housing residents.

(Added by Stats. 2018, Ch. 753, Sec. 3. (AB 2162) Effective January 1, 2019.)

65655.

This article shall not be construed to do either of the following:

(a) Preclude or limit the ability of a developer to seek a density bonus from the local government pursuant to Section 65915.

(b) Expand or contract the authority of a local government to adopt or amend an ordinance, charter, general plan, specific plan, resolution, or other land use policy or regulation that promotes the development of supportive housing.

(Added by Stats. 2018, Ch. 753, Sec. 3. (AB 2162) Effective January 1, 2019.)

65656.

The Legislature finds and declares that the provision of adequate supportive housing to help alleviate the severe shortage of housing opportunities for people experiencing homelessness in this state and of necessary services to the target population described in Section 50675.14 of the Health and Safety Code is a matter of statewide concern and is not a municipal affair as that term is used in Section 5 of Article XI of the California Constitution. Therefore, this article applies to all cities, including charter cities.

(Added by Stats. 2018, Ch. 753, Sec. 3. (AB 2162) Effective January 1, 2019.)

ATTACHMENT B
MAXIMUM OCCUPANCY OF DWELLING UNITS FOR SLEEPING PURPOSES

This information bulletin provides a guideline to help determine the maximum number of people that may legally sleep within a dwelling unit or an efficiency dwelling (or efficiency living) unit.

Definitions

Dwelling unit means a single unit providing complete, independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking and sanitation, as defined by the Building Code.

Efficiency dwelling unit or **efficiency living unit** means a dwelling unit containing only one habitable room, as defined by Health and Safety Code Section 17958.1 and Section 1208.4 of the California Building Code.

Dwelling Unit

Required Minimum Floor Areas of Rooms. The Uniform Housing Code (section 503.2) requires that a dwelling unit have at least one room which is not less than 120 square feet in area. Other habitable rooms, except kitchens, are required to have a floor area of not less than 70 square feet.

Minimum Floor Areas for Sleeping Purposes. The Uniform Housing Code (section 503.2) further states that where more than two persons occupy a room used for sleeping purposes, the required floor area shall be increased at the rate of 50 square feet for each occupant in excess of two. It should be noted there is nothing in the Housing Code that prevents people from sleeping in the living or dining rooms, as long as these rooms have an openable window or door meeting all the provisions of the California Building Code for emergency egress.

Example Calculations. Using the above information, the following example calculations will indicate the maximum number of persons that may sleep in a dwelling unit of various sizes. All dwelling units require a kitchen and at least one bathroom.

A one-bedroom apartment with a combination living/dining room area:

- ❖ Where the bedroom is at least 120 square feet in area (70 plus 50 square feet), three people could sleep there.
- ❖ Where the living/dining area is at least 170 square (120 plus 50 square feet) three persons could sleep there.

Thus, a total of 6 people can legally sleep in a one-bedroom apartment with the above minimum room sizes.

A two-bedroom apartment with a combination living/dining room area:

- ❖ Where the bedrooms are at least 120 square feet three people could sleep in each bedroom (70 square feet for two people plus 50 square feet for the third person).

- ❖ Where the living/dining area is at least 170 square feet three people could sleep there. (120 square feet for two people plus 50 square feet for the third person).

Thus, a total of 9 people can legally sleep in a two-bedroom apartment with the above minimum room sizes.

A three-bedroom house, with a separate living room and a separate dining room:

- ❖ Where the bedrooms are at least 120 square feet three people could sleep in each bedroom. (70 square feet for two people plus 50 square feet for the third person). This would sleep 9 persons.
- ❖ Where the living room is at least 170 square feet three persons could sleep there (120 square feet for two people plus 50 square feet for the third person).
- ❖ Where the dining room is at least 170 square feet (120 square feet for two people plus 50 square feet for the third person) three persons could sleep there.

Thus, a total of 15 people can legally sleep in a three-bedroom house with above minimum room sizes.

Efficiency Dwelling Unit

Required Minimum Floor Areas of Rooms. An exception to Uniform Housing Code section 503.2 provides a specific allowance for the use of an efficiency dwelling unit. It requires the efficiency dwelling unit have a living room which is not less than 220 square feet in area.

Minimum Floor Areas for Sleeping Purposes. The exception further states that where more than two persons occupy the living room for sleeping purposes, the required floor area shall be increased at the rate of 100 square feet for each occupant in excess of two. The living room must have an openable window or door meeting all the provisions of the California Building Code for emergency egress.

Using the above information, the following table indicates the maximum number of persons that may sleep in an efficiency dwelling unit of various sizes. All efficiency dwelling units require a kitchen and at least one bathroom.

| Living Room Area | Maximum Occupancy |
|--|-------------------|
| 220 s.f. or more, but less than 320 s.f. | 2 |
| 320 s.f. or more, but less than 420 s.f. | 3 |
| 420 s.f. or more, but less than 520 s.f. | 4 |
| 520 s.f. or more, but less than 620 s.f. | 5 |
| Etc. | Etc. |

- ❖ Where the living/dining area is at least 170 square feet three people could sleep there. (120 square feet for two people plus 50 square feet for the third person).

Thus, a total of 9 people can legally sleep in a two-bedroom apartment with the above minimum room sizes.

A three-bedroom house, with a separate living room and a separate dining room:

- ❖ Where the bedrooms are at least 120 square feet three people could sleep in each bedroom. (70 square feet for two people plus 50 square feet for the third person). This would sleep 9 persons.
- ❖ Where the living room is at least 170 square feet three persons could sleep there (120 square feet for two people plus 50 square feet for the third person).
- ❖ Where the dining room is at least 170 square feet (120 square feet for two people plus 50 square feet for the third person) three persons could sleep there.

Thus, a total of 15 people can legally sleep in a three-bedroom house with above minimum room sizes.

Efficiency Dwelling Unit

Required Minimum Floor Areas of Rooms. An exception to Uniform Housing Code section 503.2 provides a specific allowance for the use of an efficiency dwelling unit. It requires the efficiency dwelling unit have a living room which is not less than 220 square feet in area.

Minimum Floor Areas for Sleeping Purposes. The exception further states that where more than two persons occupy the living room for sleeping purposes, the required floor area shall be increased at the rate of 100 square feet for each occupant in excess of two. The living room must have an openable window or door meeting all the provisions of the California Building Code for emergency egress.

Using the above information, the following table indicates the maximum number of persons that may sleep in an efficiency dwelling unit of various sizes. All efficiency dwelling units require a kitchen and at least one bathroom.

| Living Room Area | Maximum Occupancy |
|--|-------------------|
| 220 s.f. or more, but less than 320 s.f. | 2 |
| 320 s.f. or more, but less than 420 s.f. | 3 |
| 420 s.f. or more, but less than 520 s.f. | 4 |
| 520 s.f. or more, but less than 620 s.f. | 5 |
| Etc. | Etc. |

SECTION VIII
PRIVATE/PUBLIC SECTOR IMPEDIMENTS ANALYSIS



A. INTRODUCTION

HUD's *Fair Housing Planning Guide* suggests an AI format that includes an assessment of impediments that overlap the public and private sectors. Many fair housing issues are not exclusively within the domain of either the private or public sectors. Section VIII provides an analysis of the following fair housing issues:

- ❖ Location of affordable multifamily rental housing developments
- ❖ Gentrification
- ❖ Demographics of publicly supported housing
- ❖ Fair housing enforcement

B. LOCATION OF AFFORDABLE FAMILY RENTAL HOUSING DEVELOPMENTS

1. Background

The *Fair Housing Planning Guide* states that an objective of the AI is to –

Provide opportunities for inclusive patterns of housing occupancy regardless of race, color, religion, sex, familial status, disability and national origin.

A major objective of the Housing and Community Development Act of 1974 was –

...the reduction of the isolation of income groups within communities and geographical areas and the promotion of an increase in the diversity and vitality of neighborhoods through the spatial deconcentration of housing opportunities for persons of lower income and the revitalization of deteriorating or deteriorated neighborhoods....

2. Analysis

a. Access to Opportunity

Fair housing planning encourages an analysis of disparities in access to opportunity. HUD used a two-stage process for developing the data needed to analyze disparities in access to opportunity. The first stage involved quantifying the degree to which a neighborhood (i.e., census tract) offers features commonly viewed as important opportunity indicators. In the second stage, HUD compared these rankings across people in particular racial and economic subgroups to characterize disparities in access to opportunities. To focus the analysis, HUD developed methods to quantify a selected number of the important opportunity indicators in every neighborhood. These dimensions were selected because existing research suggests they have a bearing on a range of individual outcomes. HUD selected five dimensions upon which to focus: poverty, education, employment, transportation, and health.

HUD understands that these opportunity indicators do not capture all that is encompassed in an individual's or a family's access to opportunity. In quantifying opportunity indicators, HUD is quantifying features of neighborhoods for the purpose of assessing whether significant disparities exist in the access or exposure of particular groups to these quality of life factors. While these important dimensions are identified by research as important to quality of life, the measures are not without limitations. HUD constrained the scope of the data to those that are closely linked to neighborhood geographies and could be measured consistently at small area levels across the country. For example, HUD's measure of school performance only reflects

elementary school proficiency. It does not capture academic achievement for higher grades of schooling, which is important to a community's well-being, but may not be as geographically tied to individual neighborhoods as elementary schools.

HUD developed seven indices to help inform communities about segregation and disparities in access to opportunity in their jurisdiction and region:

- ❖ Low Poverty Index
- ❖ School Proficiency Index
- ❖ Jobs Proximity Index
- ❖ Labor Market Engagement Index
- ❖ Low Transportation Cost Index
- ❖ Transit Trips Index
- ❖ Environmental Health Index

Source: U.S. Department of Housing and Urban Development, *Affirmatively Furthering Fair Housing Data and Mapping Tool (AFFH-T) Data Documentation*, March 5, 2019, pages 15-21

HUD developed data on the preceding seven indicators of access to opportunity for each racial and ethnic group living in South Gate and the Los Angeles-Long Beach-Anaheim Region. The data reveals that population groups living in South Gate and the Region enjoy about the same access to opportunity with regard to transit, low transportation costs, and jobs proximity. The City's population groups, however, experience less access to opportunity than the region's population with respect to low exposure to poverty, school proficiency, labor market engagement, and environmentally healthy neighborhoods.

Source: U.S. Department of Housing and Urban Development, *AFFH Data and Mapping Tool (AFFH-T)*, September 2017, Table 12-Opportunity Indicators by Race/Ethnicity

b. Housing Opportunity Mapping Tool

The California Department of Housing and Community Development (HCD) and Tax Credit Allocation Committee (TCAC) have developed a tool to identify census tracts/neighborhoods with different levels of resources that can meet the needs of families with children. The purpose of the tool is to incentivize the development of *large-family, new construction developments* with 9% Low Income Housing Tax Credits (LIHTCs) in high resource neighborhoods. The Task Force acknowledged that LIHTC projects historically have been located in low resource and segregated neighborhoods. In fact, TCAC re-evaluated the distribution of new construction of family rental housing developments from 2000 to 2016 and found that in Los Angeles County 53% of all units were constructed in neighborhoods with a high degree of segregation and poverty.

The tool uses several indicators and a filter for high-poverty, racially segregated areas. Each indicator and the filter are measured for each census tract located in the State. Table VIII-1 lists the indicator categories and measures that are used to calculate the opportunity score of each census tract located in California.

Table VIII-1
California Fair Housing Task Force
Opportunity Mapping Indicators and Measures

| Indicator Categories | Measure |
|------------------------------|--|
| Poverty | Percent of the population with incomes above 200% of the federal poverty level |
| Adult Education | Percent of adults with a bachelor's degree or above |
| Employment | Percent of adults age 20-64 who are employed in the civilian labor force or in the armed forces |
| Job Proximity | Number of jobs filled by workers with less than a BA that fall within a given radius (determined by the typical commute distance of low wage workers in each region) of each census tract population weighted centroid |
| Median Home Value | Value of owner-occupied units |
| CalEnviroScreen | CalEnviroScreen 3.0 Pollution Indicators (12 indicators) |
| Math Proficiency | Percentage of 4 th graders who meet or exceed math proficiency |
| Reading Proficiency | Percentage of 4 th graders who meet or exceed literacy standards |
| High School Graduation Rates | Percentage of high school cohort that graduate on time |
| Student Poverty Rate | Percent of students not receiving free or reduced-price lunch |
| Poverty | Tracts with at least 30% of the population falling under the federal poverty line |
| Racial Segregation | Tracts with a racial Location Quotient of higher than 1.25 for Blacks, Hispanics, Asians, or all people of color in comparison to the county ¹ |

¹The LQ is a small-area measure of relative segregation calculated at the residential census tract level. It is a representation of how much more segregated a person's neighborhood (census tract) is relative to the larger overall metropolitan area (or county). For the filter, tracts that have a LQ higher than 1.25 for Blacks, Hispanics, Asians, or all people of color are flagged as being racially segregated in comparison to the county.

Source: California Fair Housing Task Force, *Methodology for the Draft 2020 TCAC/HCD Opportunity Mapping*, Updated December 2019, pages 7 - 9

To allow TCAC and HCD to incentivize equitable development patterns in each region to the same degree, the TCAC/HCD Opportunity Map Tool allocates the 20% of tracts or rural block groups in each region or rural county, respectively, with the highest relative index scores to the "Highest Resource" designation and the next 20% to the "High Resource" designation. Each region thus ends up with 40% of its total tracts as Highest or High Resource (or 40% of block groups in rural counties). The remaining non-filtered tracts or rural block groups are then evenly divided into "Low Resource" and "Moderate Resource" categories.

Los Angeles County is divided into two sub-regions: the City of Los Angeles and the balance of the County.

SECTION VIII**ANALYSIS OF PRIVATE/PUBLIC SECTOR IMPEDIMENTS**

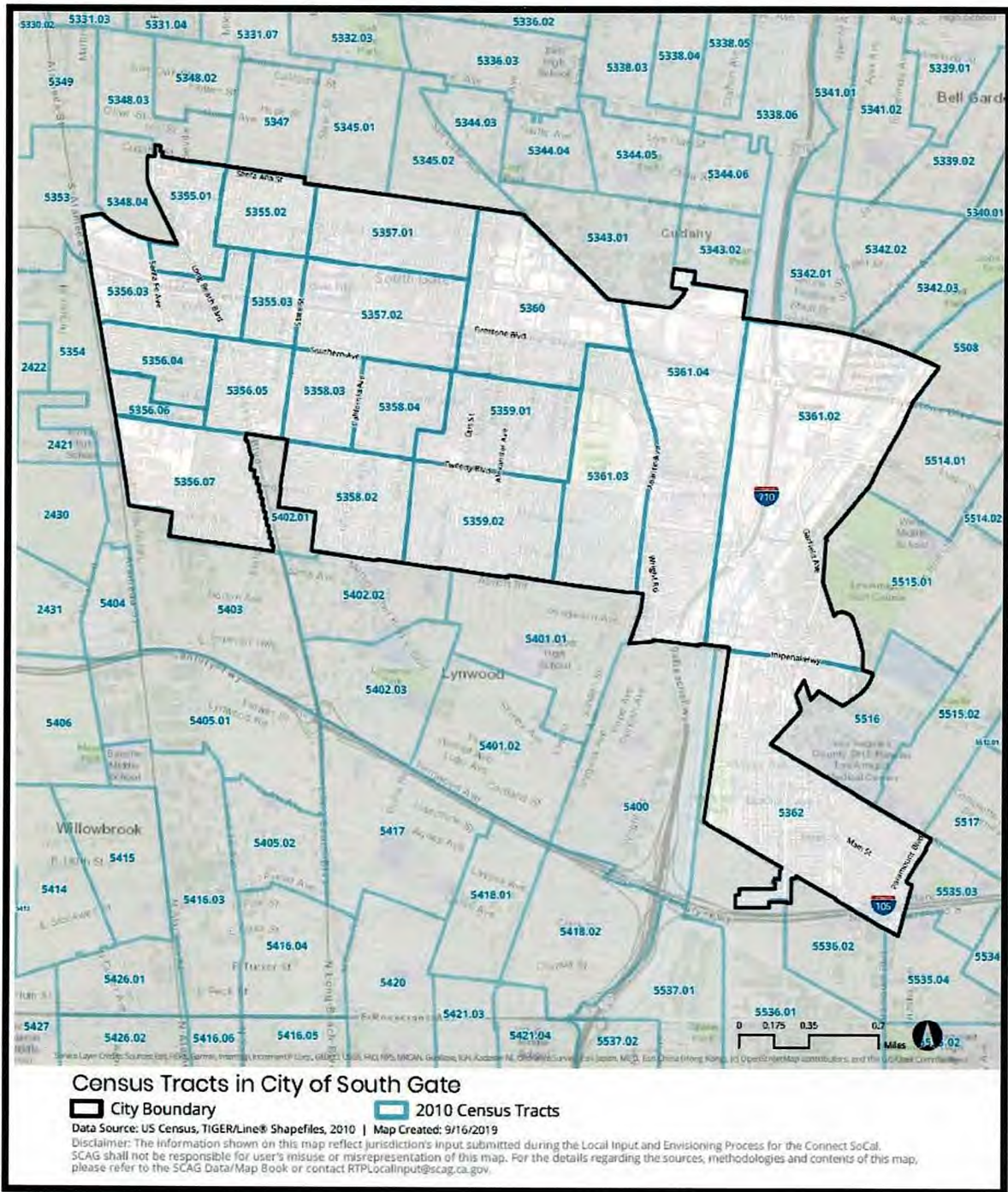
Table VIII-2 shows the neighborhood resource category in which the City's affordable housing developments are located as well as the percentage of the population with low incomes. Calden Court Apartment is a family development while the other developments provide senior and special needs housing. Exhibit VIII-1 shows the boundaries of the census tracts located within South Gate.

**Table VIII-2
City of South Gate
Publicly Assisted Multi-Family Rental Housing: 2020**

| Property Name | Address | Number of Assisted Units | Census Tract | Census Tract Resource Category | Percent Low Income |
|-----------------------------|-----------------------|---------------------------------|---------------------|---------------------------------------|---------------------------|
| Pennsylvania Square | 3170 Southern Avenue | 75 | 5356.05 | Moderate | 86.7% |
| Hollydale Senior Apartments | 12222 Garfield Avenue | 100 | 5362.00 | Low | 77.3% |
| Calden Court Apartments | 8901 Calden Avenue | 214 | 5356.03 | Low | 68.5% |
| Path Villas | 5610 Imperial Highway | 59 | 5362.00 | Low | 55.8% |

Source: California Tax Credit Allocation Committee, 1987 to Present; Southern California Association of Governments, *Final Allocation Methodology Data Appendix*, updated February 14, 2020; TCAC/HCD Opportunity Area Maps, 2020 Statewide Summary Table, Los Angeles County; U.S. Department of Housing and Urban Development, FY 2019 Local Moderate Income Summary Data (LMISD), Local Governments by State, based on 2011-2015 American Community Survey

Exhibit VIII-1
South Gate Census Tract Map



c. SCAG's Regional Housing Needs Allocation Plan

The Southern California Association of Governments (SCAG) is required to develop a methodology for distributing the existing and projected housing need to each jurisdiction in the six county Region, which includes the counties of Ventura, Los Angeles, Orange, Riverside, San Bernardino and Imperial. According to HCD, the Region's total housing need is 1,341,827 housing units for the period from June 30, 2021 to October 15, 2029. (Source: HCD letter to SCAG, *Final Regional Housing Needs Assessment*, October 15, 2019)

Pursuant to the State Housing Element law, SCAG has adopted a methodology to allocate the regional housing need to each jurisdiction located within the six-county region. Table VIII-3 shows that the application of the adopted methodology results in South Gate having an allocation of 8,263 housing units. The allocation is not final and is subject to an appeals process. The allocation numbers will be finalized for the entire region in February 2021.

Table VIII-3
City of South Gate
Share of Regional Housing Needs
October 2021 – October, 2029

| Income Group | Number | Percent |
|---------------------|---------------|----------------|
| Very Low | 2,130 | 25.8% |
| Low | 991 | 12.0% |
| Moderate | 1,171 | 14.2% |
| Above Moderate | 3,971 | 48.0% |
| Total: | 8,263 | 100.0% |

Source: Southern California Association of Governments, *Final RHNA Estimate Tool*, March 5, 2020

3. Conclusions and Recommendations

The City is required to update its Housing Element by October 2021 to cover the period from October 2021 to October 2029. An important component of the updated Housing Element Update is the identification of sites that can accommodate the housing needs of lower income families, including sites for multifamily rental housing developments.

The very high lower income housing need (3,100 + housing units) allocated by SCAG to the City means it will be necessary to accommodate the housing need on already built land in existing neighborhoods. The identified sites could accommodate the needs of large families, seniors and special needs populations. Improvements to existing neighborhoods are needed to increase the potential of large family rental developments receiving low income housing tax credits and to reduce overcrowded conditions.

Action 1: Pursue place-based improvement strategies in existing neighborhoods

During the next five years - FY 2020/2021 to FY 2024/2025 - the City will continue to implement the Community Design Element goals, objectives, and policies including, but not limited, to:

- ❖ Supporting the formation of neighborhood associations and organizations to create specific neighborhood improvement strategies and sponsor neighborhood social and safety events.
- ❖ Ongoing conservation, maintenance, and upgrading of existing neighborhoods.
- ❖ The South Gate College, Gateway, Imperial and Firestone Industrial Districts will continue to be planned to contain a mix of uses with a significant amount of new multi-family residential development.
- ❖ New high density residential that includes a variety of housing types and affordability levels will be encouraged along the majority of the City's Corridors.

C. GENTRIFICATION

1. Background - Gentrification Defined

Gentrification is a process involving an increase in housing rents and prices in existing neighborhoods that causes the displacement of the poor due to the housing market pressures. When no new housing is involved, gentrification takes place through succession as vacant rentals or homes are rented or bought by middle or higher income folks. Over time, as this process continues the middle and higher income households outbid the lower income households and, as a consequence, the neighborhood gentrifies.

With respect to the fair housing consequences of gentrification, the National Fair Housing Alliance has offered the following thoughts:

Gentrification is the process of redevelopment that is spurred by the influx of more affluent, mostly White individuals into previously deprived, under-resourced, low-income communities of color. Redevelopment through gentrification typically entails change in neighborhood character and culture and an increase in the cost of living that prices out original residents. Gentrification is fundamentally an economic process, yet the neighborhood transition that typically ensues is deeply racial, cultural, and sometimes ethnic, affecting Blacks, Latinos, and Asian Americans. With variations, gentrification operates as a powerful development pattern in housing markets in cities across the country.

The fair housing implications of gentrification associated with residential integration are complicated. Despite temporary increases in racial and ethnic integration as White residents move into previously non-White neighborhoods at the onset of gentrification, the resulting dislocation that occurs to the pre-existing residents as the process unfolds and market values increase further marginalizes communities of color through residential displacement. In the context of the persistent affordable housing crisis plaguing many cities across the country, displaced low-income residents are relegated to low-opportunity areas, generally fortifying entrenched racial and ethnic residential segregation. In this way, gentrification pressures ultimately reinforce patterns of segregation.

Although HUD has currently suspended local governments' obligation to submit Assessment of Fair Housing plans until October 2020 or thereafter, jurisdictions may still look to HUD guidance for information on how to comply with the mandate that HUD funds are used to affirmatively furthering fair housing. In August 2016, HUD released the Fair Housing Assessment Tool for Local Governments, which provides guidance to jurisdictions that receive HUD community development funds on factors associated with

residential segregation. HUD suggests that jurisdictions should consider these factors when they are conducting their fair housing planning, and it specifically advises jurisdictions to consider “displacement due to economic pressures.” As such, in order for local jurisdictions to credibly certify to HUD that they are affirmatively furthering fair housing, they should consider the fair housing implications of gentrification.

The *Fair Housing Assessment Tool for Local Governments* planning guide states the following about the displacement of residents due to economic pressures:

“The term ‘displacement’ refers here to a resident’s undesired departure from a place where an individual has been living. ‘Economic pressures’ may include, but are not limited to, rising rents, rising property taxes related to home prices, rehabilitation of existing structures, demolition of subsidized housing, loss of affordability restrictions, and public and private investments in neighborhoods. Such pressures can lead to loss of existing affordable housing in areas experiencing rapid economic growth and a resulting loss of access to opportunity assets for lower income families that previously lived there. Where displacement disproportionately affects persons with certain protected characteristics, the displacement of residents due to economic pressures may exacerbate patterns of residential segregation.”

National Fair Housing Alliance, *Making Every Neighborhood a Place of Opportunity: 2018 Fair Housing Trends Report*, 2018, pages 74 and 75

2. Analysis

a. Change in Low/Moderate Income Neighborhoods

For purposes of this analysis, a low/moderate income neighborhood is defined as a block group with 51% or more of its population with low/moderate incomes. Table VIII-4 lists the seven census tract block groups where the percent low/moderate income was 51% in 2006-2010 but less than 51% in 2011-2015.

Between 2010 and 2019, 351 housing units have been constructed or 35 per year. Two-thirds of the new housing units have been constructed in structures of five or more housing units. Calden Court Apartments is an affordable rental housing development that was constructed in 2015. It is 5-stories high and contains 216 housing units. Path Villas is a 60-unit affordable special needs housing development developed in Spring 2020.

The income changes could be because the new occupants have higher incomes than the prior occupants who could have been either renters or owners. Another possible cause is that the residents did not move but rather experienced income gains that elevated them above the low/moderate income threshold.

The income gains for some block groups are very large. The margins of error in the American Survey Data could be large which then raises questions about the utility of the data.

Table VIII-4
City of South Gate
Census Tract Block Groups Where Percent Low/Mod Was 51%+ in 2006
And Where Percent Low/Mod Was Below 51% in 2015

| Census Tract | Block Group | 2006-2010 Percent Low/Mod | 2011-2015 Percent Low/Mod |
|--------------|-------------|---------------------------------|---------------------------------|
| 536104 | 4 | 100.0% | 43.8% |
| 535607 | 1 | 75.4% | 44.0% |
| 535901 | 3 | 66.3% | 50.6% |
| 536103 | 2 | 63.2% | 44.6% |
| 535902 | 3 | 58.5% | 35.0% |
| 536200 | 2 | 53.3% | 50.0% |
| 535901 | 2 | 51.5% | 37.1% |

3. Conclusions and Recommendations

If in fact income gains are as large as depicted in Table VIII-4, the reasons are not entirely clear or obvious. Consequently, it cannot be stated that gentrification is occurring in some of the City's neighborhoods/block groups.

D. DEMOGRAPHICS OF PUBLICLY SUPPORTED HOUSING

1. Background

HUD is interested in how the demographics of the occupants of publicly supported housing by program type compare to the demographics of the jurisdiction. HUD guidance on this subject includes:

...the demographics of publicly supported housing by program category ... seeks to identify whether certain programs are serving a higher or lower percentage of households of one particular population group when compared to the other program categories and the population as a whole. This includes an analysis of whether there is segregation or integration, and seeks to identify whether certain categories of publicly supported housing experience segregation or integration.

2. Analysis

Table VIII-5 provides data on race and ethnicity of the households who occupy Section 8 rental housing. A lower percentage of Hispanic and White households occupy Section 8 housing than they represent of South Gate's total population. In contrast, a higher percentage of Black householders occupy Section 8 housing than they represent of the City's total population. This means that Section 8 housing contributes to an increase in racial integration within the community.

Table VIII-6 compares the race of the occupants of two Low Income Housing Tax Credit (LIHTC) developments to the citywide characteristics. Only the White population group occupies affordable housing to a lesser percentage than they represent of the entire population. All the remaining groups occupy the affordable housing at the same or higher percentage than they

SECTION VIII**ANALYSIS OF PRIVATE/PUBLIC SECTOR IMPEDIMENTS**

represent of the total population. This means that based on the available data the affordable multifamily developments contribute to an increase in racial integration within the community.

Definitive conclusions, however, concerning the racial occupancy of the two affordable multifamily housing developments is not possible because there 601 no responses to the race question.

Table VIII-7 shows that a lower percentage of Hispanics occupy the affordable housing developments than they represent of the City's entire population. However, there were 604 no responses to the ethnicity questions. Hispanics occupy 58.5% of the housing units in the Hollydale development.

**Table VIII-5
City of South Gate
Section 8 Assisted Households by Race and Ethnicity**

| Race/Ethnicity | Project Based Section 8 | Housing Choice Vouchers | Total Households | Section 8 Percent | City Percent |
|------------------------|--------------------------------|--------------------------------|-------------------------|--------------------------|---------------------|
| White | 2 | 15 | 17 | 3.4% | 5.2% |
| Black | 0 | 30 | 30 | 6.1% | 0.8% |
| Hispanic | 70 | 377 | 447 | 90.3% | 92.6% |
| Asian/Pacific Islander | 0 | 1 | 1 | 0.2% | 1.1% |
| Total | 72 | 423 | 495 | 100.0% | 99.7% |

Source: U.S. Department of Housing and Urban Development, Table 6: Publicly Supported Households by Race/Ethnicity

**Table VIII-6
City of South Gate
Race of the Occupants of Low Income Housing Tax Credit Housing Developments: 2018**

| Race | Number | Developments Percentage | City Percentage |
|--------------------------------|---------------|--------------------------------|------------------------|
| Multi-Race | 26 | 6.1% | 2.1% |
| American Indian/Alaskan Native | 9 | 2.1% | 0.6% |
| Black/African American | 82 | 19.4% | 0.8% |
| Other | 148 | 35.0% | 35.1% |
| White | 149 | 35.0% | 60.5% |
| Asian | 7 | 1.7% | 0.7% |
| Pacific Islander | 2 | 0.5% | 0.2% |
| Total | 423 | 99.8% | 100.0% |

Note: Does not total to 100% due to rounding

Note: 601 no responses

Source: California Tax Credit Allocation Committee, Spectrum Report – Race/Ethnicity Data for 2018 for the City of South Gate

Table VIII-7
Ethnicity of the Occupants of Low Income
Housing Tax Credit Housing Developments: 2018

| Ethnicity | Number | Developments Percentage | City Percentage |
|------------------|---------------|------------------------------------|----------------------------|
| Hispanic | 268 | 63.8% | 95.0% |
| Not Hispanic | 152 | 36.2% | 5.0% |
| Total | 420 | 100.0% | 100.0% |

Note: 604 no responses

Source: California Tax Credit Allocation Committee, Spectrum Report
 – Race/Ethnicity Data for 2018 for the City of South Gate

3. Conclusions and Recommendations

The AI makes no recommendations regarding the occupancy of affordable housing because the large number of no responses prevents an accurate representation of the occupancy. One of the objectives of the HOME Program and other federal housing programs is to promote fair housing by ensuring outreach to all potential eligible households, especially those least likely to apply for housing assistance. The City will continue to promote in HOME funded developments affirmative marketing which consists of actions to provide information and otherwise attract eligible persons to available housing without regard to race, color, national origin, sex, religion, familial status or disability.

E. FAIR HOUSING ENFORCEMENT

1. Background

HUD's *Fair Housing Planning Guide* includes a suggested AI outline that identifies fair housing enforcement as a potential impediment to fair housing choice. HUD's *AFFH Guidebook* states the following regarding the lack of private fair housing outreach and enforcement:

The term "local private fair housing outreach and enforcement" refers to outreach and enforcement actions by private individuals and organizations, including such actions as fair housing education, conducting testing, bring lawsuits, arranging and implementing settlement agreements. A lack of private enforcement is often the result of a lack of resources or a lack of awareness about rights under fair housing and civil rights laws, which can lead to underreporting of discrimination, failure to take advantage of remedies under the law, and the continuation of discriminatory practices. Activities to raise awareness may include technical training for housing industry representatives and organizations, education and outreach activities geared to the general public, advocacy campaigns, fair housing testing and enforcement.

Source: U.S. Department of Housing and Urban Development, *AFFH Guidebook*, December 13, 2015, page 212

2. Analysis

The enforcement of fair housing laws is accomplished by HUD, the California Department of Fair Employment and Housing (DFEH) and the Fair Housing Foundation.

The DFEH is responsible for enforcing state fair housing laws that make it illegal to discriminate. The DFEH may file signed complaints with HUD if the matter falls within the jurisdiction of that agency. As a substantially equivalent agency, DFEH's findings are usually accepted by HUD.

The Fair Housing Act contemplates that, across the country, state and local governments will enact and enforce their own statutes and ordinances that are substantially equivalent to the Fair Housing Act. HUD provides funding annually on a noncompetitive basis to state and local agencies that administer fair housing laws that provide remedies that are substantially equivalent to those provided by the federal Fair Housing Act.

A state or local agency may be certified as substantially equivalent after it applies for certification and HUD determines that the agency administers a law that provides substantive rights, procedures, remedies and judicial review provisions that are substantially equivalent to the federal Fair Housing Act. Typically, once certified, HUD will refer complaints of housing discrimination that it receives to the state or local agency for investigation.

Locally, The Fair Housing Foundation contracts and provides fair housing services directly to South Gate and 23 other cities.

FHF maintains one office in Long Beach at 3605 Long Beach Blvd., Suite 302, Long Beach, CA 90807, and a second office in Anaheim at 2300 E. Katella Ave., Suite 405, Anaheim, CA 92806. Both offices are open for business Monday through Friday, 8:00am to 5:00pm.

FHF's Board of Directors is responsible for overseeing the organization. The Board, through quarterly meetings and interaction with the Executive Director, remains informed of the day-to-day operation of FHF, which ensures their capacity for maintaining program and fiscal integrity.

FHF staff consists of the Executive Director, a Program Manager, a Fair Housing Specialist, an Outreach Coordinator, a Case Analyst, a Project Specialist, and a Senior Housing Counselor. Services are provided in English and Spanish.

FHF's success is due, in part, to maintaining staff's expertise of laws, regulations and court decisions by utilizing all appropriate resources available. Staff training and continued education are invaluable assets to the FHF, as well as the further development of existing staff's knowledge, expertise and interest in fair housing issues. FHF staff members are encouraged to network with other fair housing agencies as well, thus maximizing the assortment of resources outside of FHF's service area.

3. Conclusions and Recommendations

No impediment to fair housing exists because of the lack of an organization to enforce fair housing.



City of
**South
Gate™**

CITY OF SOUTH GATE

Citizen Participation Plan

APPROVED BY CITY COUNCIL ON SEPTEMBER 22, 2020

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Introduction

Pursuant to Title 24, Code of Federal Regulations, Part 91.105, HUD entitlement cities are required to adopt a citizen participation plan. Subsection (a) requires that citizen participation plans originally adopted prior to August 17, 2015 need to incorporate newer provisions of the 24 CFR 91.105. Since the City of South Gate previously adopted its original Citizen Participation Plan on September 28, 2004, this current Citizen Participation Plan incorporates provisions to comply with 24 CFR 91.105.

It is the policy of the City of South Gate to provide opportunities for community involvement in the planning, development, implementation, monitoring and evaluation of programs funded under the Housing and Community Development Acts of 1974 and 1977, as amended, and the Cranston-Gonzalez National Affordable Housing Act of 1990.

This plan, once adopted, may be amended by the City Council, and shall remain in effect until superseded by a new plan or until the City no longer participates in the Community Development Block Grant Program (CDBG), Home Investment Partnership Program (HOME), or other program that pertain to the Consolidated Planning process as required by 24 CFR Part 91, et al.

Purpose

The City of South Gate is an entitlement jurisdiction receiving Community Development Block Grant (CDBG) and Home Investment Partnership (HOME) funds directly from the US Department of Housing and Urban Development (HUD). Pursuant to the CDBG and HOME program regulations, the City is required to prepare a five-year Consolidated Plan and annual updates to guide and report on the use of CDBG and HOME funds. Annual reviews of program performance are also required.

The City shall provide the public with a reasonable opportunity to comment on the original Citizen Participation Plan and any amendments thereto. Amendments to the Citizen Participation Plan may be considered substantial or less than substantial as determined by the City based on the nature of the amendment and applicable HUD regulations. The City shall explore alternative public involvement techniques and quantitative ways to measure efforts that encourage citizen participation in a shared vision for change in communities and neighborhoods.

While the City desires and recognizes the need for citizen involvement, it is the City Council of South Gate which has final determination and responsibility for all aspects of the City's Housing and Community Development programs.

Standards of Participation

All aspects of the City's citizen participation efforts shall be conducted in an open manner with freedom of access to all interested persons. The City encourages the involvement of all groups including low and moderate income persons particularly those living in slum and blighted areas, members of minority groups and non- English speaking persons, as well as persons with mobility, visual or hearing impairments, residents of areas where a significant amount of activity is occurring or proposed, the

elderly, the business community and civic groups who are concerned about the community. The City will also provide sufficient information at the appropriate times during the program development and implementation to allow the community at large to be involved.

Scope of Participation

Citizen's Role

While this plan describes a specific citizens organization, the Citizen's Advisory Committee (CAC) is not intended to exclude any individual citizen input. All citizens of South Gate are encouraged to participate in every public meeting and to contact the Community Development Department with any questions concerning the process and the programs pertaining to the Consolidated Plan including the Community Development Block Grant Program and the HOME Investment Partnership Program or any other future programs.

The City encourages the submission of comments and written proposals by citizens regarding the affordable housing and community development program. These proposals may be submitted to the Community Development Department at any time or at any meeting of the Citizen's Advisory Committee or at any public hearing conducted by the City Council pertaining to the Consolidated Plan. The City will respond to all written proposals with 15 working days and will state the reasons for any action or inaction taken on the comments.

City's Role

Technical Assistance

To help facilitate citizen input, the City will provide technical assistance through its staff to the Citizen's Advisory Committee and to groups of low and moderate income residents who require such assistance in developing proposals for federal funding assistance as required by the federal regulations. The City will also make available, as necessary, Spanish speaking staff for public hearings relating to the Consolidated Plan. The City will publish a legal notice in a newspaper of general circulation at least ten (10) calendar days prior to a public hearing on the Consolidated Plan.

Public Information

For citizens to become informed and involved in the programs, the City will make available upon request all relevant information including:

- Material concerning the amount of funds available for proposed community development and housing activities and the range of activities that may be undertaken including the amount that will benefit persons of low and moderate income;
- Regulations and other issuances governing all aspects of the program;
- Prior application and statements, grant agreements, performance reports, substantial amendments, this Citizen Participation Plan, the Consolidated Plan, and any other reports adopted which are required by the US Department of Housing and Urban Development (HUD);
- Documents regarding other important program requirements such as contracting procedures, environmental policies, fair housing and other equal opportunity requirements and relocation

provisions such as plans to minimize displacement of persons and the type of assistance any persons displaced may receive;

- Mailings and promotional materials;
- Records of meetings and hearings; and
- Any other documents the City believes are necessary to the Consolidated Plan process.

Consolidated Plan

The U.S. Department of Housing and Urban Development (HUD) requires a community receiving funding under Community Planning and Development formula grant programs to submit to HUD a multi-year consolidated plan and annual action plan.

The consolidated plan is a program and funding implementation plan combined in one document that states the City of South Gate's goals and objectives for housing and community planning and development. In addition, a community must have a consolidated plan approved by HUD before receiving funds under the formula grant programs; Community Development Block Grant (CDBG), including activities under Section 108, such as guaranteed loan funds, Emergency Shelter Grants (ESG), HOME Investment Partnerships (HOME), and Housing Opportunities for Persons With Aids (HOPWA).

The consolidated plan is typically a five-year strategic plan to address unmet public service and housing needs of low-income persons and families within the City. For each of the five years, an annual action plan is developed in preparation for the subsequent grant year which identifies specific activities, goals, and funding allocations.

Availability of Documents and Review Periods

A summary of the proposed Consolidated Plan will be published in a newspaper of general circulation. The summary will describe the contents and purpose of the Consolidated Plan and a list of locations where copies of the entire plan may be examined.

In a timely fashion, the Plan will be made available in an alternative format for persons needing reasonable accommodations upon written request to the City. Copies of the proposed Consolidated Plan will be available on the City's website, at City Hall in the Community Development Department, the City Clerk's office and two local libraries.

Prior to submitting the Consolidated Plan to HUD, the City will provide a thirty (30) calendar day public review period to receive comments from citizens or units of general government on the Consolidated Plan as required by HUD. At times, due to extenuating circumstances (i.e. natural disasters, emergencies, pandemic), HUD allows for flexibilities for public review periods, comment periods, and noticing. In such scenarios the City may opt to follow HUD's guidance and limit the noticing and public comment periods.

A summary of public comments and a summary of any comments not accepted and the reasons, therefore, shall be incorporated or attached to the final Consolidated Plan.

Substantial Amendment to Consolidated Plan

A substantial amendment for the purposes of the Consolidate Plan is defined as a cumulative change equal to or more than 50% of the City's CDBG or HOME entitled for a program year. Changes in allocation priorities not amounting to 50% of the entitlement will not be considered as a substantial amendment to

the Consolidated Plan, no formal amendment to the plan requiring public review and comment is required. City Council approval of the priority changes will still be required.

The City shall provide for citizen participation in any required substantial amendment to the approved Consolidated Plan, except those for disaster emergency activities as needed. Copies of the amendment will be available on the City's website, at City Hall in the Community Development Department, the City Clerk's office, and two local libraries. There will be a thirty (30) calendar day public review period to receive comments prior to the substantial amendment being considered per HUD requirements. At times, due to extenuating circumstances (i.e. natural disasters, emergencies, pandemic), HUD allows for flexibilities for public review periods, comment periods, and noticing. In such scenarios the City may opt to follow HUD's guidance and limit the noticing and public comment periods.

The City shall consider any written or oral comments received. A summary of these comments and a summary of any comments not accepted and the reasons, therefore, shall be attached to the substantial amendment of the Consolidated Plan.

Analysis of Impediments to Fair Housing Choice

During the development of the Consolidated Plan the City will also develop the Analysis of Impediments to Fair Housing Choice (AI). The City will consult the following services/agencies including fair housing organizations, other local governments, advocacy groups for special needs households, affordable housing providers, banks and other financial institutions, and other educational institutions to solicit their input on fair housing issues in the City. The City will solicit feedback in different ways including in person, telephone, and virtual interviews, community meetings, or surveys.

The City will include actions it plans to use to address the impediments to fair housing choice as part of its Consolidated Plan. The AI will be incorporated into the Consolidated Plan (see section: [Consolidated Plan](#)), which will be made available for public review for a 30-day period. Written comments will be accepted during the 30-day public review. A summary of the comments and views, and City responses must be made attached to the AI. At times, due to extenuating circumstances (i.e. natural disasters, emergencies, pandemic), HUD allows for flexibilities for public review periods, comment periods, and noticing. In such scenarios the City may opt to follow HUD's guidance and limit the noticing and public comment periods.

The City will conduct a public hearing/meeting as part of the Consolidated Plan to accept public input on fair housing issues during the development stage of the Draft AI and Consolidated Plan.

Annual Action Plan

The City will invite residents, City staff, and public and private agencies that provide services related to health, economic development, public housing, and social services for children, elderly, disabled, homeless, persons with AIDS, to provide input in the development of the Annual Action Plan (AAP).

Each year the City will send out a Notice of Funding Availability (NOFA) to cooperating departments and non-profit agencies advising them that the planning cycle has begun for CDBG and HOME funds and that the City is accepting project proposals, provided funds are available. The City will conduct an eligibility

analysis on all project proposals submitted and review the eligible proposals for service provider grants for funding consideration.

The Draft Action Plan incorporating the City's proposed uses of CDBG and HOME funds will be made available for public review for a 30-day period. At times, due to extenuating circumstances (i.e. natural disasters, emergencies, pandemic), HUD allows for flexibilities for public review periods, comment periods, and noticing. In such scenarios the City may opt to follow HUD's guidance and limit the noticing and public comment periods.

Written comments will be accepted during the 30-day public review. A summary of the comments and views, and City responses will be attached to the Action Plan.

The City Council will hold one public hearing to discuss all eligible project proposals and funding recommendations for both public service grants and capital outlay project and make funding decisions. At this public hearing, the Council will accept comments and community input on the Draft Annual Action Plan.

Substantial Amendment to Annual Action Plan

The City will formally amend its approved Action Plan whenever a decision is made to propose a substantial change to the Plan, either by:

- Carrying out an activity not previously described in the Action Plan;
- Canceling an activity previously described in the Action Plan;
- Increasing or decreasing the amount to be expended on an activity from the amount stated in the Action Plan by more than 50 percent; or
- Substantially changing the purpose, scope, location, or beneficiaries of an activity.

Changes in funding for an existing activity not amounting to more than 50 percent will not be considered as a substantial change to the Annual Action Plan; no formal amendment to the Action Plan requiring public review and comment will be required. However, City Council approval of the activity funding changes will still be required.

Substantial amendments to the Action Plan will be made available for a 30-day public review. A public hearing will not be required. Written comments will be accepted during the 30-day public review. A summary of the comments and views, and City responses must be attached to the Action Plan. At times, due to extenuating circumstances (i.e. natural disasters, emergencies, pandemic), HUD allows for flexibilities for public review periods, comment periods, and noticing. In such scenarios the City may opt to follow HUD's guidance and limit the noticing and public comment periods.

Consolidated Annual Performance and Evaluation Report (CAPER)

A reasonable notice and opportunity to comment on the Consolidated Annual Performance and Evaluation Report (CAPER) shall be given to citizens. A legal notice will be published a minimum of ten (10) calendar days prior to public hearing and copies of the Performance Reports will be made available on the City's website, at City Hall in the Community Development Department, the City Clerk's office, and two local libraries. A public review and comment period of no less than fifteen (15) calendar days shall be provided to receive comments on the Performance Report prior to its submission to HUD. A summary of the comments shall be attached to the CAPER.

Citizen Participation Plan

Amendments to the Citizen Participation Plan (CPP) will be made available for public review for a 30-day period. Written comments will be reviewed and/or accepted during the public review period. At times, due to extenuating circumstances (i.e. natural disasters, emergencies, pandemic), HUD allows for flexibilities for public review periods, comment periods, and noticing. In such scenarios the City may opt to follow HUD's guidance and limit the noticing and public comment periods.

Anti-Displacement

The Citizen Participation Plan must, as required by 24 CFR Part 91, Section 91.105, "set forth the jurisdiction's plans to minimize displacement of persons and to assist any persons displaced...."

The City of South Gate will avoid the displacement of individuals from their homes whenever possible and will comply with all existing laws and regulations regarding relocation, including adherence to the Uniform Relocation Act whenever federal dollars are used to fund a project. The HOME Anti-Displacement Plan and the CDBG Relocation Plan provide further details on specific assistance and are available upon request.

Outreach

The City will attempt to increase the level of public participation of organizations in the community by soliciting participation by these groups. Invitations to attend an community input meetings on housing and non-housing community development needs will be sent to religious organizations, the South Gate Chamber of Commerce, business organizations, community service organizations including those targeting Spanish speaking residents and residents of assisted housing (Section 8 recipients).

The City shall encourage its residents, especially those residing in predominately low- and moderate-income neighborhoods, to participate in the development and subsequent adoption and implementation of the Consolidated Plan. This could be done through publications, notices, and public meetings and public hearings.

The City will also coordinate with the local Housing Authority and surrounding communities about the housing and community development plan activities related to the development of the Consolidated Plan.

Complaints

The City will make every reasonable effort to provide written responses to written complaints within fifteen (15) working days after receipt. A copy of each written citizen comment or complaint about the City's Housing and Community Development Performance Report under the Consolidated Plan, the City's assessment of the comment or complaint and a description of any action taken and written response made will be kept on file as a public record.

Citizen's Advisory Committee

The City of South Gate has established a Citizen's Advisory Committee to assist the City Council in making funding decisions relating to the CDBG and HOME programs. The functions and composition of these groups are described below.

Structure

Size and Appointment

A Citizen's Advisory Committee member shall be appointed by the City Council.

Term of Office

Each member shall serve at the pleasure of their appointing City Council member during their respective term. Term of office will automatically expire with the cessation of the service of the appointing City Council member or at which time the City Council member makes a new appointment.

Vacancies

Vacancies on the CAC shall be filled by appointment by the respective appointing City Council member. Said appointee will serve until the cessation of the service of the appointing City Council member.

Selection of Officers

The CAC shall have a Chairperson and Vice-Chairperson. Both shall be elected from and by the members of the CAC each year at the September or October meeting.

Subcommittees

The CAC may create subcommittees deemed necessary to fulfill the functions of the CAC.

Meetings

The CAC members shall receive payment for up to a total of six meetings held during the fiscal year per the following schedule:

- January: Fourth Wednesday
- February: First, Second, and Third Wednesday
- April: Fourth Wednesday
- September: Third Wednesday

The meetings shall be held at 6:00pm at the City Council Chambers in City Hall located at 8650 California Avenue, South Gate. In certain circumstances the CAC may meet virtually or in other city facilities. With proper noticing, the aforementioned CAC meetings may serve as a public hearing.

Attendance at each meeting is important. Payment is \$25.00 per meeting and a check will be mailed to the member by end of June each fiscal year if all the three following requirements have been met:

- 1) City staff must receive a completed W-9 form from the CAC member to submit to Finance Department as requested;
- 2) CAC member attends at least half of each meeting as determined by staff as Secretary according to minutes; and
- 3) CAC member is present for voting on motions as needed.

Notwithstanding, the term of office of any member will automatically expire if the member is absent from more than two meetings of the total meetings that are held (August – April) per fiscal year, without making an acceptable (typically medical) excuse to the Secretary by phone prior to the start of the meeting.

Quorums

A simple majority of the current membership, as determined by staff as Secretary and the Chairperson of the CAC, shall be in attendance at any meeting for the proceedings of the meeting to be regarded as valid.

Roles and Responsibilities

Advisory Role

The CAC is an advisory committee to the City Council. The City Council, by State law, is the responsible legislative body in matters relating to the Consolidated Plan and the Consolidated Plan process.

Review and Evaluation

The CAC may be involved in the review and evaluation of the programs carried out with Community Development Block Grant funds and HOME funds for any other program funds under the Consolidated Plan. As appropriate, progress or evaluation reports concerning the grant may be reviewed by the CAC and recommendations concerning the reports made to the City Council.

Needs and Objectives

The CAC may conduct community development needs assessments and review community objectives whenever deemed necessary by the City Council.

Citizen Participation Plan

The CAC may make recommendations concerning the Citizen Participation Plan to be adopted by the City Council.

Public Meetings and Public Hearings

The City will conduct public meetings and public hearings during various phases of the Consolidated Plan process and during each new Fiscal Program Year. All public meetings and public hearings shall be open to the public. Meetings will be held at times and at locations in the City that are convenient and accessible to potential and actual beneficiaries. Public meetings and public hearings may also be hosted virtually, upon the discretion of the City. Special accommodation shall be made for persons requesting reasonable accommodations, upon advanced notice to the City. In cases where a significant number of non-English speaking residents are reasonably expected to participate, an interpreter will be provided by the City.

Program Development

The CAC shall conduct at least one (1) public meeting prior to the submittal of the Consolidated Plan to the City Council for action. Also, separate meetings may be held for those persons and groups contacted as part of the City's outreach efforts. The goal of these meetings will be to obtain comments from citizens on housing and community development needs, including priority non-housing community development needs.

Additional Meetings

The CAC may hold additional meetings before or after the annual federal program development as it determines appropriate.

Minutes

Minutes of all six paid CAC meetings will be made available to the public by the City upon request.

Agenda

An agenda for any CAC public meeting will be submitted to the City Clerk's office.

Public Hearings

Program Development

Pursuant to HUD regulations, at least two public hearings/meetings per year are required for the Consolidated Plan development. City Staff will conduct the first public hearing/meeting to accept public input on community needs during the development stage of the Draft Consolidated Plan. The City Council will then conduct a second public hearing/meeting to accept comments on the Draft Consolidated Plan which will be provided for public review for a 30-day period. At times, due to extenuating circumstances (i.e. natural disasters, emergencies, pandemic), HUD allows for flexibilities for public review periods, comment periods, and noticing. In such scenarios the City may opt to follow HUD's guidance and limit the noticing and public comment periods.

Once the City has published the public notice and held the public hearing, the City will determine if the proposed application needs to be modified, based on comments and views received, before submitting the application to HUD.

Additional Hearings

The City may hold additional public hearings for which the City shall publish a legal notice in a newspaper of general circulation. The City will follow its noticing requirements as outlined in this document.

Public Noticing Requirements

The notice for a public hearing shall be published a minimum of ten (10) days prior to the public hearing and shall contain, at minimum, the following:

- Date of hearing
- Time of hearing
- Place of hearing
- Topic to be considered
- Basic information about the topic/program

Notices shall be provided in Spanish and English and or contain a statement asking non- English-speaking residents to contact the City if they need assistance in the translation of these notices.

Contingency Plan in the Event of an Emergency/Disaster

In the event of an emergency or disaster that presents a serious and immediate threat to the health and welfare of the citizens of the City, the noticing requirements for public hearings shall be reduced to 5 calendar days.

Reprogramming of funds in the event of such an emergency will require approval by the City Council when they are in session or ratification of the reallocation when the City Council is in recess.